

# Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

Paris, Saturday-Sunday, March 25-26, 1995

No. 34,858

## 7 European Nations Drop Border Controls

### Move Marks a Big Symbolic Step Closer to Unity on the Continent

By Tom Buckle  
International Herald Tribune

BRUSSELS — Seven European countries will lift controls on their common borders on Sunday, a move billed as the biggest step to date toward guaranteeing the free movement of people within the European Union but one that will have a mixed impact on travelers.

The change will be noticed mainly by airline passengers traveling between the seven countries — France, Germany, Belgium, the Netherlands, Luxembourg, Spain and Portugal — who will no longer have to show their passports to border policemen. The countries will also formally abolish border checkpoints, although those already have been largely abandoned in recent years.

The dropping of border checks within the so-called Schengen group will be accompanied by a reinforcement of external controls, however, to guard against international crime and illegal immigration. That, officials acknowledge, is most likely to mean stricter checks and longer waits for people entering from non-EU countries, especially from Eastern Europe but also from North America and Asia.

"We don't expect that there will be very long queues," said Thomas Helfen, an official at the chancellor's office in Bonn. Germany has redeployed some 3,000

guards to beef up controls on its Eastern borders, though, and officials will need some time to get used to the new procedures, he said.

The change comes 10 years after nine EU countries committed themselves to abolishing internal border checks at the town of Schengen, where the borders of France, Germany and Luxembourg converge.

The long wait to fulfill that pledge and the fact that several EU members including Britain, Ireland and Denmark still refuse to take part underscore the continued fear EU governments have about letting people move about as freely as goods, services and capital, even though all four freedoms are laid down in the Union's founding Treaty of Rome.

Still, the fact that it is happening at all has cheered bureaucrats and citizen's groups alike, who see free movement as one of the most tangible benefits of Europe's single market.

"It is the realization of the fourth fundamental freedom," said Walter van der Rij, secretary-general of the Schengen group. "We are setting an example of what we hope everyone will follow."

Already, Austria has agreed to follow suit and is expected to sign the Schengen accord and lift controls as early as April. Italy has pledged to lift controls by the end of this year and Greece by an unspecified date.

Although freedom is the ultimate aim, the addition of a new class of passenger has created logistical nightmares. Frankfurt Airport has spent 70 million Deutsche marks (\$50 million) to construct three European lounges, or lounges, for intra-Schengen passengers, a spokesman, Robert Payne, said.

Schiphol International Airport outside Amsterdam will not finish its expensive redesign to allow for passport-free Schengen flights until the end of the year, while Marseille has set no date.

Connecting flights also pose headaches. Passengers arriving in Brussels in transit between Schengen countries and outside destinations like the United States or Africa will need to board a bus and change terminals to undergo passport control. In Frankfurt, meanwhile, passengers who

See BORDERS, Page 4

## Clocks Go Forward Throughout the EU

Agence France-Press

PARIS — Clocks go forward by one hour throughout the European Union early Sunday as the 15 nations switch from winter to summer time.

The change at 2 A.M., making the night of March 25-26 the shortest of the year, means Central Europe and France will be two hours ahead of Greenwich Mean Time, while the United Kingdom and Ireland will be an hour behind those countries and Greece will be an hour ahead.

## In House Vote, Republicans Pull Down a Welfare Pillar

The Associated Press

WASHINGTON — The House of Representatives on Friday adopted a Republican welfare bill that would end the New Deal guarantee of federal support for the needy, sweep away six decades of social programs and put the states in charge of the poor.

The Personal Responsibility Act, cornerstone of the Republicans' social agenda, passed by a vote of 234 to 199 after four days of debate. Only nine Democrats supported it.

The measure now goes to the Senate, where another emotional debate is expected.

Republicans claim their program will free the nation's poor from an endless cycle of poverty and put an end to layers of wasteful federal bureaucracy — saving \$66 billion in the first five years.

"For generations now we have seen this destructive welfare system stay in place and keep people where they are, a system that is destructive of future self-esteem, destructive of family, destructive of the basic moral fiber that has held this nation together and the work ethic that we have been so proud of as Americans," said Representative E. Clay Shaw Jr., Republican of Florida.

"Now is the time to sweep this away," he said.

Democrats said the plan leaves millions of poor Americans out in the cold and is aimed at freeing money for tax cuts to benefit mainly the well-to-do, not helping those in need.

"The only thing we can be certain of now is that the \$70 billion that's going to be taken from the children and the poor of this country will go to the rich," said Rep-

resentative Harold E. Ford, Democrat of Tennessee.

A last-ditch effort by Democrats to embarrass the Republicans by making the money they save go to deficit reduction instead of tax cuts failed, 228 to 205. A liberal Democratic alternative by Representative Patsy T. Mink, Democrat of Hawaii, also was rejected.

The Republican bill would end 45 social programs and give money to the states in five major block grants to design their own ways of taking care of the poor.

States could not provide cash welfare for unwed teenage mothers and their children or additional cash payments to support children born of parents already on welfare. Those on welfare would be required to work after two years, and families would be removed from the welfare rolls after five years.

At the White House, the chief of staff, Leon E. Panetta, called the bill "a major redistribution of income in the wrong direction." He said that President Bill Clinton strongly opposes the bill and hopes to work with the Senate to improve it.



A sect member in Kamikitsuki, Japan, on Friday, in headgear rigged with electrodes allegedly used in brainwashing.

## New Chemical Cache Spreads Fear

### Explosives-Makings Seized

By Nicholas D. Kristof  
New York Times Service

TOKYO — The police on Friday found tons of raw materials to make explosives in a warehouse used by a religious sect, part of a huge stockpile of chemicals and explosives that by some calculations could have killed millions of people.

The evening newspapers Friday only added to the public jitters with estimates of the potential effects of the chemicals that have been confiscated so far from the Aum Shinrikyo sect, which appears to be the prime suspect in the nerve gas attack on Tokyo's subway system.

About 150 tons of chemicals seized from the sect in three days of raids could produce 50 tons of the nerve gas sarin, the kind used in the subway attack, according to the Yomiuri

See CULT, Page 7

### Doubts That Sarin Was Used

By Malcolm W. Browne  
New York Times Service

NEW YORK — Some leading American experts in chemical warfare said Friday that it was unlikely that sarin or any other nerve gas was involved in the Tokyo subway attack in which 10 people were killed and 5,000 injured.

Neither the symptoms of the victims nor other physical evidence tally with the expected effects of nerve gases like sarin, they said, and they suggest that Japanese authorities are keeping secret the real explanation of the incident.

This view was shared by Saul Horowitz, who was the U.S. Army's director of war gas development until his retirement in 1973; Dr. Matthew S. Meselson, a professor at Harvard University expert in the chemistry, production and uses of poison gases; and Dr. Norton D. Zinder, a molecular biologist at

See POISON, Page 7

## Dance Star Debuts as 'Savior' of Bolshoi

By Fred Hiatt  
Washington Post Service

MOSCOW — Where he had majestically basked in applause so many times before, the great dancer bowed again Friday, his hand on his heart, his moves as somber and fluid as ever.

This time, though, Vladimir Vasiliev was wearing, not tight, but a silky gray suit with pearl cuff links, a black pocket handkerchief and a pince-nez dangling from his neck. He was standing in front of the orchestra pit, not on stage where he had triumphed so many times.

And this time, at 54, Mr. Vasiliev was embarking on what will undoubtedly be his most challenging role: savior of the Bolshoi Theater.

On the orders of President Boris N. Yeltsin, a deputy prime minister came to the Bolshoi on Friday to present Mr. Vasiliev officially as new artistic director of Russia's premier cultural establishment. And to a theater nearly overflowing with his colleagues — dancers, singers, violinists, stagehands, and more — Mr. Vasiliev urged an end to the fratricide and stagnation that have laid this great institution low.

"I never lose my feeling of amazement at this place, its beauty, its uniqueness," Mr. Vasiliev said, gesturing toward the plush and dazzling theater where performers occupied seats normally reserved for their audience.

"But usually we are working on the other side of the curtain," he said, gesturing behind him to the heavy drapes, embroidered still with hundreds of hammer-and-sickle emblems, "and we must never forget while there the people out here, whom we're really working for."

The comment was an unmistakable reference to the current state of the theater.

See BOLSHOI, Page 4

## AGENDA

### A Warning to CIA Over 1992 Killing

INTERNATIONAL Page 2  
Arafat Greets Gore in Gaza

THE AMERICAS Page 3  
Line-Item Veto Passes Senate

EUROPE Page 5  
Italy's Most Livable City

BUSINESS/FINANCE Page 13  
Durable Goods Orders Fall

MONEY REPORT Pages 19-23  
Selecting Your Own Stocks

ART Pages 10-11  
The Versatility of Man Ray

SPONSORED SECTION  
International Education in Switzerland Pages 8-9

WASHINGTON (AP) — President Bill Clinton will dismiss anyone in the CIA who deliberately withheld information on the slaying of a Guatemalan leftist guerrilla who was married to an American woman, the White House said on Friday.

"I am not satisfied that we have as many answers as I think some people here, including the president, would like to have," said the White House press secretary, Michael McCurry, referring to the killing of Efraim Bamac Velazquez while he was a prisoner of the Guatemalan military in 1992.

Mr. McCurry refused to comment on an allegation that the killer had been a Guatemalan military officer in the employ of the Central Intelligence Agency. But he said there was no evidence that anyone in the CIA or any other U.S. agency had been holding back information or seeking to mislead the White House about the episode.

Opinion Page 6 Sports Pages 24, 25  
Books Page 10 Crossword Page 25



MOSCOW MEMORIAL  
Workers installing scaffolding Friday at a monument to Poklonnaya Hill for Victory Day on May 9.

## Science Mimics the Movies

### Frankenstein-Like Insect Experiments Point to Master Gene for Eye Formation

By Natalie Angier  
New York Times Service

NEW YORK — Combining elements of the sublime and the macabre, scientists have created flies that grow large, perfectly formed eyes on the most inappropriate parts of their bodies: on their wings, on their legs, on the quivering tips of their antennae.

The experiment offers graphic evidence that scientists may have discovered what they call "the master control gene" for the formation of the eye, one of the most complex structures in nature.

Researchers in developmental biology have been struggling, with scant success, to identify the genetic signals that initiate the growth of the body's specialized components, whether limb, liver or brain.

But the latest work, reported Thursday in the journal Science, suggests that the gene, with which the scientists prompted laboratory flies to sprout as many as 14 eyes apiece, is indeed the kingpin of vision, the gene that touches off an intricate biochemical event able to transform a nonde-

script speck of cells into a fully outfitted eye.

At the moment, the work has no obvious clinical value, but scientists believe that by understanding the growth of the eye, they can eventually devise new therapies for the many visual problems that afflict people at all stages of life.

Whether these extracurricular fly eyes can see remains to be determined.

Though the work was done with fruit flies, which are genetically amenable to such manipulations, the eye gene in the fly turns out to be similar to a gene identified in mammals, including humans, indicating that the equivalent gene in human embryos may direct the creation of the paired windows to the soul.

The gene used in the fly experiments is called *eyelless*, because the absence of the gene results in flies with no eyes at all.

"It's an amazing example of how a single gene can switch on an entire developmental program," said Walter Gehring of the University of Basel in Switzerland, the

See EYES, Page 4

Dow Jones	Trab Index
Up 50.84	Up 0.10%
3138.67	111.34
The Dollar	
DM 1.4173	Previous Close 1.4035
DM 1.594	1.5952
Pound 89.95	88.20
Yen 4.9885	4.9875

Newsstand Prices	
Andorra 9.00 FF	Luxembourg 50 L Fr
Antigua 11.20 FF	Morocco 12 Dh
Cameroun 1.400 CFA	Catar 8.00 Riels
Egypt 9.00 FF	Reunion 11.20 FF
France 9.00 FF	Saudi Arabia 9.00 R
Gabon 960 CFA	Senegal 960 CFA
Greece 350 Dr	Spain 225 PTAS
Italy 2.800 Lire	Tunisia 1.000 Din
Ivory Coast 1.120 CFA	Turkey 7.1 45.000
Jordan 1.20 J.D.	U.A.E. 8.50 Dirh
Lebanon 1.50 L.L.	U.S. M. (Eur.) \$1.10







# Senate Votes, 69 to 29, to Give President a Line-Item Veto

By Jerry Gray  
New York Times Service

WASHINGTON — With wide bipartisan support, the Senate has voted to give the president unprecedented control of the federal purse — the power to veto specific items in spending bills and some future tax benefits.

The Senate passed the bill on a vote of 69 to 29, nearly eight weeks after the House had approved a different version of the line-item veto. A central piece of the Republican agenda, the veto is being pushed as a budget-cutting tool.

Before the bill can be sent to President Bill Clinton, who has said he will sign it, differences between the Senate and House versions must be resolved by a conference committee.

Fifty of the Senate's 54 Republicans voted for the line-item veto; they were joined by 19 Democrats, including Senator Tom Daschle of South Dakota, the leader of the minority Democrats.

Whatever the shape of the final bill that reaches Mr. Clinton's desk, it could produce a major power shift in Washington and create what even its most ardent supporters concede will be a political Pandora's box by giving the Democratic White House a far more potent sword over the Republican agenda.

Rarely has the legislative branch willingly shifted power to the executive branch. But with the Senate vote on Thursday, Congress agreed to cede to the president, at least temporarily, an element of one of its most jealously guarded rights — the power of the purse.



Senator John McCain, Republican of Arizona, left, flanked by his majority leader, Bob Dole of Kansas, after the vote.

It is odd by any standard of politics that a Congress controlled by one party would give such a powerful political tool to a president representing another.

But the Republicans appeared to be willing to take that political gamble for several reasons, not least of which is that they expect a Republican to be

in the White House in 1997. They also think they stand to gain more than they would lose by co-opting the president in their efforts to achieve the deficit

reduction that they believe the people want. Mr. Clinton welcomed the vote Thursday and said: "The Senate tonight has taken another

step toward passing strong line-item veto legislation. I hope the House and Senate will now get together quickly to resolve their differences and pass the strongest possible bill. The sooner such a bill reaches my desk, the sooner I can take further steps to cut the deficit."

The president had sought to stay above the fray in the fight over the measure, but White House aides acknowledged that his statement requesting the strongest possible bill had apparently broken a logjam and weakened Democratic opposition or the risk of a filibuster.

Thursday's debate found Senator Robert C. Byrd of West Virginia in a familiar role, on his feet for hours lecturing his fellow senators. Weeks earlier, the 77-year-old Democrat had led the floor fight against the balanced-budget amendment — which ended on March 2 in a crushing one-vote defeat for the Republicans.

"It would not matter if I spoke for days, the die is cast," said Mr. Byrd, who concluded his part of the debate by reading the names of the signers of the constitution. "This bill will go to Congress. What comes of that no one knows."

A line-item veto is part of the House Republicans' political manifesto, the "Contract With America." But for the Republican majorities in both houses that came to power promising to balance the budget and pay down the federal debt, the legislation is also a concession: that after decades of approving bills laden with pork-barrel projects, Congress does not have the restraint to reduce spending.

## POLITICAL NOTES

### Tax-Cut Ceiling Kept at \$200,000

WASHINGTON — House Republican leaders have signaled that they are unwilling to scale back a key provision of the tax cut plan contained in their "Contract With America," prompting warnings Thursday from Republican moderates and fiscal conservatives that the entire tax package may be in jeopardy.

More than 100 Republicans in the House signed a letter this week urging the leadership to reduce the cost of the \$188 billion tax package by limiting a proposed \$500-per-child tax credit to families making up to \$95,000 a year, instead of the threshold of \$200,000 contained in the legislation.

But House Republican leaders, including the speaker, Newt Gingrich, of Georgia, the majority leader, Richard K. Armey, of Texas, the Republican Conference chairman, John A. Boehner, of Ohio, and the Ways and Means Committee chairman, Bill Archer, of Texas, have concluded it would be too risky politically to backtrack on a key campaign pledge.

Mr. Boehner said there was "no serious discussion" among Republican leaders about altering the package worked out by the Ways and Means Committee and due on the floor within two weeks.

Some Republicans seeking the change have been stung by Democratic criticism that the package would largely benefit the wealthy while requiring offsetting cuts in programs for the poor and the middle class. Others approve of the broad outlines of the package, but believe their party is undermining its claim to be helping middle-class families by promoting tax credit for families with six-figure incomes.

"Most people in my district don't consider someone making \$200,000 middle-class," said Representative Greg Ganske, Republican of Iowa, who helped collect the 102 signatures on the letter seeking the change in the credit. (WP)

### Democrat Might Challenge Clinton

WASHINGTON — The former Pennsylvania governor, Robert Casey, has decided to formally explore the prospects of a 1996 presidential bid, which would make him the first Democrat to challenge President Bill Clinton's re-election.

Mr. Casey's most obvious difference with Mr. Clinton is that the former governor opposes abortion.

"He is using this exploratory committee for the purpose that it's intended," said Mr. Casey's spokeswoman, Karen Walsb. "He has made no decision at this point." (AP)

### 'Cancel' Request on Cyberspace Sex

WASHINGTON — In a vote that moves the battles over pornography and free speech onto the electronic frontier, the Senate Commerce Committee has approved a proposal to ban smut in cyberspace.

The measure, attached without any debate to a proposal to overhaul the nation's communication laws, would levy fines as high as \$100,000 and jail terms of up to two years on anyone who transmits material that is "obscene, lewd, lascivious, filthy or indecent."

While the proposal would have to pass many more legislative hurdles to become law, its reception in the committee suggests it has momentum. This is despite vociferous opposition from denizens of the Internet and skepticism among experts that anyone can govern the sprawling array of interconnected networks.

Civil rights groups say the legislation would create an enormous new intrusion on privacy and free speech. Its supporters say they are merely trying to modernize laws that already try to restrict indecency and pornography. (NYT)

### Quote / Unquote

Lady Bird Johnson, the widow of President Lyndon B. Johnson, on whether her husband had ever considered using the nuclear bomb against North Vietnam: "Not by his order, but he kept on thinking that there was a danger lurking on the sidelines and that there was a part of the country who wanted to do it that way and get it over with. And he was scared of that than he was of people on the left." (AP)

### Away From Politics

● A judge declared a second mistrial in the case of a teenager accused in the September 1993 slaying of a British tourist at a highway rest area in northern Florida. The jury deliberated seven hours before telling Circuit Judge F. E. Steinmeyer it was hopelessly deadlocked. State Attorney William Meggs said his office would retry John (Billy Joe) Crumitie, 18. (AP)

● A Disney subsidiary acceded to the demands of a Roman Catholic group and changed the national release date of a movie about priests that had been scheduled to open on Good Friday. The movie, "Priest," opened in New York and Los Angeles, and will open in 10 more cities on April 7 and in the rest of the nation on April 19 instead of April 14, Good Friday. The movie portrays several clergymen in England, including an uncaring bishop, a gay priest, and a priest who is sleeping with his female housekeeper. (AP)

● Police arrested a Hamilton, New Jersey, pizza delivery man for selling marijuana on his pizza runs. Ryan Kemble, 20, would have customers call his pizzeria and make a special order that was a code for the drug, police Sergeant Michael Olesnevich said. (Reuters)

● A second migrating swarm of Africanized "killer" bees has entered California, officials announced. The swarm, relatively harmless because it had not yet established a hive, was discovered atop a "no trespassing" sign at a school in the Imperial County community of Heber, and was quickly destroyed. (LAT)

● Police have reopened the investigation of the 1986 drowning of the wife of an Arlington, Texas, man who is charged with killing another former wife and whose present spouse is missing. Meanwhile, the attorney for Jack Reeves, who has been charged with the 1978 shooting death of Sharon Reeves, confirmed that his client was accused in a fatal shooting in Italy during the 1960s. (AP)

## AMERICAN TOPICS

### Women Investors Get Shorted on Facts

An undercover audit shows that stock brokers have habitually failed to provide women customers with vital information they give even in the San Francisco Chronicle reports.

Prophet Market Research & Consulting, a San Francisco firm, said this was borne out in its national survey of 150 brokers at six leading national firms and 150 brokers at 15 regional firms.

"Women clearly are treated as the lesser sex when it comes to getting straight facts about investments from U.S. brokerage houses," said Scott Gallo-way, a Prophet co-founder.

One out of four prospective women customers heard testimonials such as "I have invested in this stock myself." This frowned-upon sales tactic was used on only 10 percent of male customers.

Women were more than twice as likely not to be asked about their investment history, which is important in determining suitability of different financial packages.

The findings are similar to the independent research company's report last September on how banks and savings and loans sell mutual funds and other investments. That report showed that twice as many women as men were not told that mutual fund investments were not federally insured.

### Short Takes

New techniques in electroencephalography may soon make it possible for a totally paralyzed person to communicate by directly controlling the faint electromagnetic signals emitted by the brain. The New York Times reports. Similar techniques may someday enable an airplane pilot to operate certain controls merely by thinking. The brain emits electrical signals of only a millionth of a volt or so. But studies financed by the National Institutes of Health show that these signals can be amplified enough so that by conscious effort, the subject can move a cursor on a computer screen.

A company that runs shark-viewing tours off Santa Cruz, California, has been accused of endangering both surfers and seals by using chum — a mixture of fish oil and raw meat — to attract the fish to its boats. The tours allow divers in protective cages to watch the sharks close-up. "When sharks respond to the dinner bells, what they see is a human being in a wetsuit as their waiter," said Tim Loomis, a member of the Surfers' Environmental Alliance. "They're learning to associate humans with the main entrée." The National Oceanic and Atmospheric Administration is holding hearings on the shark tours.

Glenn Hodges, who was a star first baseman for the Brooklyn Dodgers before he became manager of the New York Mets, could be a stern leader, says Dave Anderson, sports columnist for The New York Times. He recounts that Mr. Hodges once noticed that Cleon Jones was not on the field for batting practice. Striding into the clubhouse, Mr. Hodges told Mr. Jones, "That'll cost you \$1,000."

"That doesn't bother me," Mr. Jones replied. "Now it's \$2,000," Mr. Hodges said. "Let me know when I get to a number that bothers you."

International Herald Tribune.

## Poll Is Affirmative Action Anger-Meter

By Richard Morin  
and Sharon Warden  
Washington Post Service

WASHINGTON — Americans do not merely talk about affirmative action. They shout.

Blacks "walk around with a chip on their shoulder, like we owe them something," said Shirley Powell, 61, a housewife in Angleton, Texas. "I don't feel that we do."

"We don't have a level playing ground and I believe affirmative action is a feeble attempt to create a level playing ground," said Leander Woods, 49, a manufacturing executive in Lake Hopatcong, New Jersey.

"They talk about a glass ceiling for women and minorities," said Ira Linville, 52, a technical specialist for the Environmental Protection Agency in Conyers, Georgia. "There's a glass ceiling for middle-aged white male managers, too."

These Americans echo the anger, ambivalence and deep frustration felt by millions of people on both sides of the national debate on affirmative action, a new Wash-

ington Post-ABC News national poll shows.

Three out of four Americans surveyed said they opposed affirmative action programs that give preference to minorities to make up for past discrimination, and a virtually identical proportion felt that way about programs for women. More than two out of three say those programs should be changed — or eliminated.

The survey found that affirmative action sharply divides whites and blacks. And within communities of color, a debate about affirmative action also rages: Nearly half of all African Americans interviewed said they opposed affirmative action programs giving preference to minorities.

The poll of 1,524 randomly selected Americans and subsequent in-depth interviews with 40 survey participants suggests the debate is shaped by divergent views about the nature, extent and existence of racial and sex discrimination.

The survey comes as Republicans in Congress, with the support of many Democrats, have vowed to end all preference programs.

## Clinton Deepens Probe of Anti-Bias Policy

By Ann Devroy  
Washington Post Service

WASHINGTON — President Bill Clinton has given a vigorous defense of government affirmative action programs but says he has asked his team to review the subject to probe reverse discrimination, fairness to nonminorities and whether unqualified candidates are getting government jobs or contracts.

Mr. Clinton said Thursday that his review, considered by many in the White House as the most politically sensitive undertaking of the year, was not complete.

Originally, the White House intended for the chief of the Justice Department's civil rights division, Daryl Patrick, to outline the administration's affirmative action position in congressional testimony Friday.

Instead, Mr. Patrick has been instructed to give what a senior official called "a holding statement" while the review continues, with an April completion date projected.

Some officials and legislators who have talked to Mr. Clinton on the subject expect the review to largely mirror the position he outlined in Thursday's speech.

"My take on it is he is going to broadly support affirmative efforts but revamp set-aside programs in some of the departments or at least propose revamping them," said a Democratic senator who spoke to Mr. Clinton on the subject in past days. Set-aside programs generally earmark a percentage of federal contracts to go to businesses owned by minorities or women.

Another official who has been privy to a Clinton discussion on the issue said, "The president is engaged in this and sees the outcome of what he wants to do." He added, "It is pretty clear to me that this is not a critique of basic principles" of affirmative action but a weeding out of indefensible programs and an effort to see if more can be modeled after affirmative action programs used by the military.

About 50 officials around the government are involved in the effort, described by one as "empirical analysis" followed by political assessment.

Republicans have pledged to sharply limit or overturn many government affirmative action programs, arguing they discriminate against white males and others and belie the goal of a color-blind society.

Republican presidential candidates have sharply attacked or questioned the programs, while liberal Democrats, groups representing minorities, women and others, all an important part of the president's political base, have lobbied the White House furiously to retain most, if not all, the programs. Some have argued the White House should not even be conducting a review.

Mr. Clinton said he has asked his team to study whether the programs "work and do they have a positive effect." If they do work, he said Thursday, are they sometimes unfair to others? "Could you argue that in some cases there is reverse discrimination and if so, how?"

Mr. Clinton said he also asked his team to answer the question of whether "there are those in need not covered by affirmative action" and whether the government can address that, and finally, to show him models of what "clearly works."

## Montana Calls Off Register of Sexual 'Deviants'

By David W. Dunlap  
New York Times Service

NEW YORK — Feeling political heat from around the state and the country, the Montana state Senate has executed an about-face, deleting homosexual acts from a list of crimes for which convicts must be registered their entire lives.

Only this week, the state Senate had added "deviate sexual conduct" — including homosexual sodomy and fellatio — to a bill requiring registration of violent criminals. That unleashed furious protests from gay and lesbian organizers nationwide, coupled with threats of an economic boycott.

On Thursday morning, Governor Marc Racicot, a Republican, warned lawmakers that if the reference to homosexual acts was not removed he would "amendatorily veto the bill" — that is, delete part of the legislation while preserving those sections that "accomplish our original purpose."

"The bill was never intended even to suggest that homosexuals should be registered," said Mr. Racicot.

Rather, he said, it was "intended to protect law-abiding citizens by requiring registration of violent and predatory offenders after their release from prison."

By Thursday afternoon, the Senate had voted unanimously to amend the bill. Under the bill, people convicted of "deviate" relations, a category that includes oral and anal sex between two people of the same sex, would have had to register with the local police chief or county sheriff any place in Montana where they planned to live for more than 14 days.

They also would be fingerprinted and photographed. And in some cases, the information would be made public.

International Herald Tribune.

International Telephone Company

Now offers Direct Dial to anywhere in the world at Call Back Prices.

Fax & Data can also be used with ITC's Direct Dialer.

Distributors Needed Worldwide

For Call Back / Call Centers and Prepaid Calling Cards International and Domestic.

International Telephone Company

290 Pratt Street, Meriden, CT 06450-2118

1800-638-5558 ext. 111/ 203-238-9794

Fax: 203-929-4906

"Limited Countries Available"

On May 30th, the IHT will publish a Sponsored Section on

## YACHTING

Among the topics to be covered are:

- What's selling today.
- New charters areas.
- Government promotion of the yacht-building industry.
- On-board catering.
- Super-yacht interior designers and stylists.

This section will benefit from special distribution at Super Yacht 95 in Nice, May 30 - June 1.

For further information, please contact Bill Mahler in Paris at (33-1) 41 43 93 78 or fax: (33-1) 41 43 92 13.

HERALD TRIBUNE  
THE WORLD'S DAILY NEWSPAPER

## How To Beat the System

### "225 Tax Havens"

Revised and Updated in 1994 From the Earlier "218 Tax Havens". How You Too Can Beat the System by Having Some of Your Money and Assets Offshore. Learn Where and How...

### "How to Become a Legal Holder of a Second Passport"

Totally Different Reveals All Guide to 51 Foreign Passports. The Best, Cheapest and Fastest Ways to Get One...and Why You Should.

### "Offshore Nestegg Strategy"

Revised 1994 Report Tells You How to Systematically Accumulate Secret Money Offshore...and How To Do It Yourself...

### "How to Become Rich in Albania"

This Once Isolated Country is Now Free and Democratic - and Offers an Exciting Opportunity to Get Rich...

Since It Lacks Just About Everything.

Write or Fax for Free Information

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_

### Privacy Reports

26A Peel Street, Ground Floor, (Dept. 386)  
Central, Hong Kong Fax: + 8522 850 5502

TO OUR READERS IN HOLLAND  
It's never been easier to subscribe  
and save Just call today  
02503-24024







## Georgia Is Accused of Systematic Torture

By Fred Hiatt  
Washington Post Service

MOSCOW — Human rights observers accused the republic of Georgia on Friday of conducting torture and other systematic abuses of human rights, most recently in the trial of 19 people accused of terrorist acts.

The 19 defendants, two of whom were sentenced to death earlier this month in a highly politicized trial in Tbilisi, were beaten, hung upside down, doused with boiling and freezing water and mistreated in other ways, the observers said.

Most of them also were deprived of lawyers and barred from the courtroom during their own trials, according to the observers.

"Georgia has an appalling human rights record," said Rachel Denber, who followed the trial for the American group Human Rights Watch/Helsinki. "We view this case as a microcosm of all that is wrong with Georgia's criminal justice system: torture, beatings, mistreatment and violations of due process."

Since the breakup of the Soviet Union in 1991, Georgia has survived a coup and two civil wars, in the process falling into poverty and near-lawlessness.

Its current president, Eduard A. Shevardnadze, earned a positive reputation in the West as the Soviet foreign minister who presided over the dismantling of the Iron Curtain when Mikhail S. Gorbachev was president.

But Giorgi Khoshtaria, a former Georgian foreign minister who also spoke at a news conference here Friday, said that Mr. Shevardnadze had used brutal measures as the Georgian Communist Party secretary in Soviet times and had resumed them as leader.

Mr. Khoshtaria, who served under the regime that preceded Mr. Shevardnadze's, said that television and the judiciary remained under Mr. Shevardnadze's dictatorial control.

A spokesman for the Georgian Embassy here, Igor Gvishvili, dismissed Mr. Khoshtaria's charges as the result of his

"radical opposition" to the current regime. He also dismissed Human Rights Watch charges of systemic violations of human rights.

"There are still violations of human rights, but I do not agree there are mass violations," the spokesman said. "Ninety percent of all the stories of human rights violations are imagined, and the remaining 10 percent — there could be violations, as in Russia, as elsewhere."

In an earlier letter to Human Rights Watch, a top Georgian prosecutor said that the prisoners in question had sustained injuries either in beatings by other prisoners or when they threw themselves from police cars trying to flee.

He accused the human rights group of violating "the civil rights of investigative workers" by propagating false information.

The 19 defendants tried in Tbilisi were all supporters of the deposed Georgian leader Zviad K. Gamsakhurdia, who killed himself after losing to Mr. Shevardnadze and his supporters in a civil war.



A woman passing a star, the Communist symbol, as she slogged through Grozny on Friday.

## Russians Surround Rebel Town

Compiled by Our Staff From Dispatches

MOSCOW — Russian troops surrounded the Chechen town of Achkhoy-Martan on Friday, one of a dwindling number of rebel bases still operating in the separatist region, the Itar-Tass news agency said.

The Kremlin's forces were appealing to the population of the town, about 60 kilometers (35 miles) east of the Chechen capital, Grozny, to expel supporters of the Chechen leader, Dzhokar Dudayev, and thereby escape artillery bombardment.

The reported move to surround Achkhoy-Martan was the latest stage in Moscow's campaign to drive rebels out of their bases in the countryside since the fall of Grozny last month.

On Thursday, Moscow said its forces had taken the town of Argun, like Achkhoy-Martan one of the few remaining rebel strongholds in Chechnya.

Since taking Grozny in February after weeks of fighting that killed thousands and wrecked the city, Russian troops have mainly shelled rebel targets from a distance.

Russian military sources told the Russian Interfax news agency that government troops would continue gradually trying to wipe out rebel bases in the south and the east of Chechnya, which declared independence in 1991.

Russian forces will move to surround Gudermes, Chechnya's second-largest city and one of the last separatist strongholds, early next week, a military source cited by Interfax said Friday.

The Russian forces also hope to complete the encirclement of Shali, 30 kilometers southeast of Grozny. The separatists have decided to defend Shali even though its inhabitants have fled following Russian bombardment of the town, the source said.

Russian tactics are simple and were proven in Grozny: destroy a town with incessant artillery and air shelling until nothing remains but ruins, an empty carcass that the Chechens then decide to abandon.

But although Russians have seized or are about to seize key towns, most of the villages are still held by separatists.

(Reuters, AFP)

## Russia Endures Another Indignity

Electricity Cut to Foreign Ministry Due to Unpaid Bill

By Michael Specter  
New York Times Service

MOSCOW — Luckily for the Russian foreign minister, Andrei V. Kozyrev, he was in Geneva on Thursday trying in discussions with United States Secretary of State Warren M. Christopher to show that his country was still a superpower.

He was lucky because Thursday was the day that the Moscow regional electrical authority cut power to many of the elevators — including those used exclusively by Mr. Kozyrev and his principal deputies — in the enormous, gothic Foreign Ministry building that towers over Smolenskaya Square in central Moscow. For many months now, it appears, the Foreign Ministry has failed to pay its electricity bills.

"This is not a matter for the foreign minister's office," Mr. Kozyrev's secretary bluffed curtly when asked about the incident Friday. "You will have to call our press office."

The Foreign Ministry is not the first — or even the most important — seat of the Russian government to have its power abruptly yanked by angry, anonymous officials of the Moscow Energy Co., who must deliver electricity to dozens of federal office buildings.

Last September, in an episode that drove the usually placid Prime Minister Viktor S. Chernomyrdin into rage and public despair, the electric authority severed without warning all power to the nation's Strategic Nuclear Missile Command Center for exactly the same reason — because nobody had bothered to pay the bills.

The missile center, located 25 kilometers of Moscow, and which controls one of the largest clusters of nuclear rockets on Earth, immediately switched to an emergency fail-safe system for four hours until power was restored. Despite Mr. Chernomyrdin's threats and anger, nobody was fired as a result of the episode, perhaps because the Defense Ministry owed Mosenergo, the power authority, 2.5 billion rubles (almost \$1 million at the time) in unpaid bills.

The Foreign Ministry building is one of six similar structures that are always referred to here as "Stalin Skyscrapers," because they were designed and constructed under his watchful eye. They are so imposing, and so strategically spread throughout Moscow that it is a rare moment when at least one of them is not in full view.

Nobody could explain Friday why Mosenergo decided to cut power only to the elevators — and then only half the elevators in the building. Valentin V. Poret, an assistant to the president of the utility, said Friday that he had no idea what had happened and doubted the company had the ability to shut off only part of a building's electrical power.

He did not deny there were bill problems with the ministry. "We usually warn people ahead of time," he said.

But not always.

Late Thursday afternoon, staffers at the Foreign Ministry found that at least half of the building's 22 elevators — there are also 22 floors in the massive structure — no longer functioned. The power came back after a short while — and a few loud phone calls.

## Communist-Run City Most Livable in Italy

By Celestine Bohlen  
New York Times Service

REGGIO EMILIA, Italy — At a time when Italian politics and public administration are in disarray, this quiet, prosperous town of 135,000 remains a pocket of consistency, and even efficiency.

Incomes are high, unemployment is low, services are ample and helpful, and the former Communist Party, which has run the town hall since World War II, remains firmly in charge, if under a new name.

With administrative elections coming up in April, local leaders of the Party of the Democratic Left, the former Communist Party, are supremely confident.

"This region has had a socialist administration since the end of the last century, which was born on social, rather than political wings," said Enzo Musi, deputy mayor of Reggio Emilia. "In the confusion that is around us, this is one fixed point."

If the tone is smug, there is good reason. Last year Reggio Emilia was named Italy's most livable city in an annual poll, based on economic indicators, housing, crime, leisure and cultural activities, public services and random factors like the number of days residents have to wait for a telephone hookup (6 days in Reggio Emilia, compared with a national average of 10).

Of the 95 cities surveyed by the newspaper *Il Sole 24 Ore*, four of the top 13 are in Emilia-Romagna, a region that runs along the rich Po River Valley in northern Italy and that for decades has been known as a fortress of the Italian left.

Emilia-Romagna, home to 4 million people and thousands of small factories and enterprises, centered on the dignified university city of Bologna (which ranked 13th on the quality-of-life scale last year), has avoided the sudden mood changes that have so confused the rest of the country. Even the corruption scandals that en-

gulfed Italy over the last two years have had little effect here. There are continuing investigations into the "red cooperatives," publicly owned enterprises with strong Communist Party links, but so far there has been no evidence locally of the kind of private profiteering that brought down the Christian Democratic Party.

The Communist Party never made it into the national government in the post-

**Incomes are high, unemployment is low, and services are ample and helpful in Reggio Emilia.**

war period, despite a national vote that hovered around 30 percent. It was left to cultivate other spheres of influence: labor unions, cultural life and local politics in what is known as the Red Triangle, a region that runs through Tuscany, Umbria and Emilia-Romagna.

Of Emilia-Romagna's 341 municipalities, 240 were controlled by the Party of the Democratic Left in 1990, when the party changed its name. Since then, elections have showed little shift in public sentiment.

In national elections last year, as much of Italy swung to the center-right, 47.1 percent of Emilia-Romagna's electorate voted for a leftist coalition; in Reggio Emilia, the vote for the left was more than 50 percent, just as it has been through much of this century, except for "the parenthesis of the Fascist period," as a local politician put it.

Reggio Emilia's services were legendary even before the poll came out in December. Its 19 municipal preschools and 13 infant care centers were selected by News-

week magazine in 1991 as "the best in the world."

For citizens of all ages, Reggio Emilia runs 18 social centers, more than any other Italian city its size. For the elderly, it offers a full range of care — nursing homes, day-care centers, home monitors, hot meals, and a two-week subsidized trip to the mountains or the seaside.

For all these services, citizens pay a fee, depending on what they can afford. But with socialism on the wane through much of Europe, this success poses an old question anew: Does the credit go to the Communists, or should it go to the region's historical reputation for hard work, courteous manners and entrepreneurial ingenuity and capitalist base?

"This is one of the richest regions in the world," said Giuseppe Gazzoni Fasari, a businessman who is running for mayor of Bologna this year with a center-right coalition. "With all the money they have, the services couldn't be bad. What the left has done is very good public relations, but they can't take credit for the cordiality of the people."

Mr. Gazzoni says Bologna has been sitting on its laurels in recent years. "It could be better," he said, pointing to traffic and parking problems and the lack of facilities for Bologna's 80,000 university students.

But these problems may be too secondary for citizens who, according to one poll, are either very satisfied with their quality of life (50.8 percent) or satisfied enough (43.5 percent).

Even with a new regional electoral law that for the first time will allow voters to choose candidates, rather than parties on the ballot, Mayor Walter Vitali of Bologna sees little reason to worry.

"There is no danger of change," he said. "The results of the last elections and recent opinion polls show the good hold of the Party of the Democratic Left and the left."

# THE MOST PORTABLE PHONE.

## NOKIA 2110

It's small enough to fit easily into your pocket. But big enough to feel comfortable in your hand.

Its display is the largest on the market. With clear symbols and smart help texts, the phone shows you what it knows.

And it knows it all. The Nokia 2110 is ready for every present and upcoming GSM service — even PC fax, data and short text messages.

The most portable phone?

You'll soon find that rather an understatement.

## NOKIA

CONNECTING PEOPLE



Nokia and the Arrows logo are registered trademarks of Nokia Corporation.



# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Dark Deeds in Guatemala

In 1990 Michael DeVine, an American who ran an inn in the Guatemalan rain forest, was mysteriously abducted and killed. In 1992 Efraín Bámaca Velásquez, a member of a guerrilla movement fighting the Guatemalan government, was taken captive after a firefight and disappeared.

His American wife, Jennifer Harbury, received word that he had been seen alive in a secret military prison and began trying to find out what had happened to him. Now, it turns out, both were killed at the direction of a paid agent of the CIA. Adding to the shame of these events for America is the fact that the man implicated in the killings was a Guatemalan colonel trained by the U.S. Army.

Ms. Harbury was given contrary reports of her husband's death. In frustration she staged a hunger strike in Guatemala City that finally embarrassed both Guatemalan and U.S. authorities into promises that they would pursue the case more energetically. But Ms. Harbury never found out what happened to her husband until Wednesday, when she was told by Representative Robert Torricelli, Democrat of New Jersey.

Mr. Torricelli wrote a letter to President Bill Clinton protesting the CIA's methods and the secrecy that kept both it and other government agencies from telling Ms. Harbury the truth.

He rightly said that such information reveals an organization out of control. When a federal agency pays people who kill U.S. citizens, and then lies about it, it

underscores again the clear need for deep, comprehensive reform. The CIA said Thursday that it had not improperly concealed information, but its slippery wording does nothing to undermine Mr. Torricelli's main points.

The secrecy surrounding the fate of Ms. Harbury's husband did not stop with the CIA itself. Other government agencies, notably the State Department and the National Security Council, and individuals were aware of what had happened to him and withheld the information.

Mr. Torricelli has asked President Clinton to request a Justice Department investigation into the activities of all government agencies involved in the Harbury case. The president would do well to act on that suggestion, and to extend any inquiry to cover the case of Mr. DeVine, an apparently innocent U.S. citizen who was murdered by someone on the U.S. payroll.

The Clinton administration can use this occasion to signal a new approach to covert operations. It can lay open all the facts of this case and make it clear that in the future rogue operators who abuse their relationship with the United States will be exposed rather than protected.

It can announce that America will no longer train and encourage Latin American thugs. It can make an even stronger case for thorough, systemic reform of the CIA to make it lean, honest, less wasteful and more accountable for the millions of taxpayer dollars it spends.

—THE NEW YORK TIMES

## Open the Conference Doors

The United Nations Secretariat is tarnishing a forthcoming conference on women's issues by denying credentials to a slew of nongovernmental organizations, possibly more than 200, without explaining why. The action has bred suspicion that the secretariat is responding to political pressures from the conference's Chinese hosts or such powerful participants as the Vatican.

In several instances, the denials resulted from direct pressure. The Chinese, who were eager to have Beijing as the conference site, pledged that the forum would be open to all relevant nongovernmental as well as governmental groups. However, they asked, and got, the United Nations to deny credentials to women's organizations from Tibet and Taiwan, their political adversaries.

The Vatican does not want to hear from

Catholics critical of the church's views on family life and abortion. It tried to have the United Nations deny credentials to Catholics for a Free Choice and its sister groups in Mexico, Brazil and Uruguay, but was repulsed after an outcry.

Some nongovernmental groups denied accreditation may indeed not meet the secretariat's criteria of "competent" and "relevant." The simplest way to find out is for the secretariat to grant Washington's request that it disclose the names of those refused credentials, and the reasons.

The United States also asked, and succeeded in getting, an international panel to review the denials. Full disclosure is the only way for the United Nations to defuse suspicions that it is letting political and sectarian pressure determine who gets to speak for women.

—THE NEW YORK TIMES

## Do Better by the Children

When Newt Gingrich, speaker of the U.S. House of Representatives, came under harsh attack for saying that in some circumstances some children might be better off in orphanages, the assaults seemed to us unfair. Given the state of the foster care system and the problems faced by children in abusive families, it is wrong to foreclose, for partisan and ideological reasons, any reasonable options that might help some children.

Unfortunately, Mr. Gingrich and his party in the House have not translated their talk about helping society's worst-off children into protections from the freezes and reductions that their welfare bill makes in many programs for the poor. One section of the proposal that has received little notice entails a five-year reduction of more than \$2.5 billion in the growth that was projected in federal child welfare programs. The Republicans would end the entitlement status of foster care and adoption assistance. The bill also repeals a long list of federal regulations to ensure adequate services for children in foster care.

It would, of course, be a good thing if money could be saved in all these programs by running them better. But spending on foster care and adoption has risen not because of bloated bureaucracies or greedy interest groups but because of a tragic rise in the number of abused and neglected children. The numbers went from 262,000 in 1982 to 445,000 in 1993 and continue to rise. One

big reason is the epidemic of crack cocaine use, for which vulnerable children should certainly not be held responsible.

The Republicans can make a fair case that federal regulations in this area should be streamlined: some rules may force states to spend money in certain areas that might be better spent elsewhere. But on this question too many states and localities can claim bragging rights for having done a brilliant job. On the contrary, 20 states are under court orders or have been sued for failing to adhere to federal standards.

Ending the entitlement status of these programs could only make bad situations worse by foreclosing the increases in federal funding that need to come if yet more children find themselves in foster care, as seems certain to happen. That is why organizations sympathetic to local autonomy and state control, such as the National Association of State Legislators and the National Association of Counties, have asked that adoption and foster care be continued as entitlements and not be turned into block grants.

The foster care and adoption systems are in need of reform. Unfortunately, most reforms designed to help children in dire straits will involve more spending, not less. Mr. Gingrich, who can talk movingly about needy children, surely can do better. This provision is yet another reason why the House Republicans' welfare bill should be defeated.

—THE WASHINGTON POST

## Other Comment

### Flouted Justice Is Bad Justice

Many of the perpetrators of war crimes in the former Yugoslavia have been identified and enough evidence assembled to institute proceedings. It is understandable, therefore, that the United Nations should have decided to set up a tribunal, located at The Hague, empowered to bring suspects to trial.

What it does not have is a police force capable of tracking down suspects and bringing them before the court. Even the named accused, who number more than

20, know that the ex-Yugoslav states will protect them from extradition, refuse to supply evidence or witnesses, even deny that any crime has been committed.

There is reason to question, therefore, whether the best interests of the United Nations are served by maintaining at considerable public expense a toothless court. Laws that cannot be enforced command ever diminishing respect, and the institutions that fail to implement them fall into disrepute. Better no court than a court that no one respects.

—The Daily Telegraph (London).

## Foreign Policy: American Leaders Misread the Public

By William Pfaff

PARIS — Every four years since 1974 the Chicago Council on Foreign Relations has taken a reading on what Americans believe about where their country stands in the world and where it should go in its foreign relations.

The latest survey was conducted late last year, and the results have just been published. They contradict the widely held assumption that Americans today have become isolationists, but contribute to the evidence that Americans are becoming increasingly isolated, out of touch with the world beyond. That is a matter for which the press bears a responsibility (and television a particularly heavy one).

Interest in news about local affairs has gone up by 10 percent in the last four years, while interest in other countries and in U.S. relations with those countries has fallen. The percentage of local news interest is the highest in the history of the survey, at 65 percent, a reflection of the concern with domestic problems that helped elect Bill Clinton. The public says in this survey that the first three of the nation's top 10 problems are crime, unemployment and health care/health insurance.

Foreign relations do not appear on that list, although foreign policy does appear as

No. 10 on a separate list of what the country's leadership worries about. (The leadership figures come from a separate polling sample of congressmen and senators, Clinton administration officials, journalists, academics, and members of labor, church and interest groups).

Still, Americans want the United States to play a leading world role. Asked if the country should "take an active part in world affairs" or "stay out," the response is overwhelmingly for engagement — 65 percent versus 29 percent among the public, and 98 percent versus 1 percent among leaders.

Moreover, 73 percent of the public and 43 percent of the leaders think the United States will play an even greater role in the decade to come. "Declinism" obviously has not carried the day.

Nor is there a marked reluctance to use force. Ninety-one percent of the leaders and 54 percent of the public would support the use of American troops against a Russian invasion of Western Europe, and almost as many (in both categories) would favor fighting to protect Saudi Arabia from Iraq. Sixty percent of the leadership and 32 percent of

the public would be in favor of fighting if Russia invaded Poland.

These, of course, are snap reactions to telephone questions. A considered judgment might be different. The answers do not necessarily reflect a real grasp of the subjects at hand. A notorious case of this concerns foreign aid, which only 45 percent of the general public favors (as against 86 percent of the leaders). A much-publicized survey in January, made by two independent policy groups, together with an earlier Harris poll, found that Americans want aid expenditure to go down, but they also believe that 15 percent to 20 percent of the U.S. government's current spending goes to foreign aid. The actual aid figure, of course, is less than 1 percent — military and nonmilitary aid combined.

The most striking result of the Chicago survey is what it reveals about the differences between leaders and public. Leaders are much more strongly in favor of troop use to defend American allies but also are lower in their support for NATO. Public support for the alliance is not far off where it was in 1974. On the other hand, the leaders — 20 years ago strong, positive supporters of NATO — were by 1996 strongly negative in their attitude.

Leaders are much more convinced that China will play a great world role in the future than is the general public. The public is much more of the opinion that Japan will have that role. Leaders strongly favor aid to Eastern Europe, Russia and Africa; the public attitude is negative about all three. Among leaders and general public more are unfavorable to aid for Israel than for it. Leaders favor aid to the Palestinians on the West Bank and in Gaza. The public is unfavorable. Nearly half the leaders (47 percent) are for U.S. arms sales abroad. Only 16 percent of the public approves.

Even more interesting, more than half (53 percent) of the public wants the United Nations strengthened. Only a third of the leaders agree. Sixty-five percent of the public and 89 percent of the leaders want normal relations restored with Vietnam. There is a plurality among the public and a two-thirds majority of leaders for restored relations with Cuba.

A significant part of Washington's received wisdom about what Americans think and want seems to be wrong — if we believe the results of this indispensable survey. Is the new Congress listening?

International Herald Tribune  
© Los Angeles Times Syndicate

## A Split in Israel's Cabinet On the Drawing of a Line

By Anthony Lewis

JERUSALEM — How do members of the Israeli government feel about critical issues in the peace process? It depends which ones you ask. Ministers are extraordinarily divided — and open about their differences.

Take the question of "separation." A vague word here, it refers to the idea of physically separating Israelis and Palestinians, by borders and fences, to increase security. A committee appointed by Prime Minister Yitzhak Rabin has recommended a plan costing upward of \$200 million.

The police minister, Moshe Shaleh, strongly supports the proposal. The finance minister, Avraham Shohat, dismisses it. The health minister, Ephraim Sneh, who as a general was in command of the occupied West Bank, said: "Separation? It won't work."

Underlying that question and others is the problem of Jewish settlements, planted around the West Bank and now home to 130,000 people. How can you draw a line that separates them from Palestinians? How can Israeli occupation forces be redeployed before Palestinian elections, as the Oslo process requires, without exposing settlers to attack?

The problem would be easier if the Rabin government had moved quickly on it after the Oslo agreement in September 1993. There was talk of offering settlers compensation to move back to Israel, and of replacing the economic incentives to live in settlements with disincentives. If those steps had been taken, one observer estimated, half the settlers would be gone by now. But nothing was done.

The Rabin government is now officially committed to negotiating a redeployment plan that will let the elections for a Palestinian legislative council proceed. But some in the government are skeptical.

Yossi Belin, the deputy foreign minister, wants to cut through the interim phase of Oslo and negotiate now on final borders between Israel and Palestinian territory.

Even if Palestinians had to give up some border areas to Israel and resettled that, he said, the resulting "separation" would effectively recognize their political status as an independent entity: their deep desire.

Mr. Sneh sees two ways to draw a single line between Israelis and Palestinians, now or in a permanent settlement.

He said in an interview that Palestinian elections should be held without a troop redeploy-

ment — "We're smart enough to stay away from the voting." And because of no Israeli government could "uproot 130,000 people," he said, settlements would remain after a final agreement.

"The situation is difficult," Mr. Sneh said, "because Israel won't admit the inevitability of Palestinian sovereignty and Palestinians won't admit the inevitability of Israelis living in the West Bank. On one tiny piece of land you have to have two sovereignties. The Palestinians will have to accept the existence of enclaves inside their sovereign territory. Living together: It sounds crazy, but there's no other way."

With all the differences, one common denominator seems to me to be emerging in the government: a new and highly important one. That is acceptance of the idea of a sovereign Palestine living alongside Israel.

Yossi Sarid, the dovish environment minister, said out loud the other day that that would be the outcome of the Oslo process. Mr. Rabin, asked to comment, said his policy was still against a



"You wanna be surgeon general? You're hired. You wanna be housing secretary? You're hired. You wanna be commerce secretary? You're hired..."

Palestinian state. But he sounded less firm than before.

Palestinians might say no to a state so tiny and cut up by settlements that it could not be viable. And the Israeli right remains totally opposed to the idea. The Likud leader, Benjamin Netanyahu, said a sovereign state in the West Bank "would be terrorist and

become Islamic sooner or later."

For these reasons I think it is quite wrong to say, as many have said, "The peace process is irreversible." A Likud victory in next year's election would almost certainly reverse it.

But the possibility of peace has never seemed so tangible in this place, so beautiful and so riven by

the intractability of human beings. Peace is so essential to Israel, not just physically and economically but psychologically, that one has to think it somehow inevitable. David Grossman, the Israeli writer, put it in a sentence: "As things are, we are deprived of the future."

The New York Times

## Iran: Clinton's Half-Steps Merit No Medal of Courage

By A. M. Rosenthal

NEW YORK — "I, William J. Clinton, president of the United States of America, find that the actions and policies of the government of Iran constitute an unusual and extraordinary threat to the national security, foreign policy and economy of the United States, and hereby declare a national emergency to deal with that threat."

Clear and powerful, every word of the presidential preamble to Executive Order 12957, signed March 15. But it turns out that the steps actually ordered by the president after that fine line are so limited that the executive order makes only one thing clear: The United States still is not willing to stop the flow of billions of dollars that make Iran threatening.

The order bans foreign subsidiaries of American oil companies from making deals to develop Iranian oilfields. Only Conoco negotiated one. But every day the subsidiaries are still allowed to make a mockery of the U.S. embargo by buying Iranian oil and selling it outside the United States.

So I put the question to Edgar Bronfman Sr. Mr. Bronfman, his brother Charles and his son Edgar Jr. used their oil as major shareholders of Du Pont, Conoco's owner, to stop the deal as soon as they heard of it — three years after Conoco began negotiating.

What's the use of stopping that one \$1 billion Conoco deal, while through subsidiaries the U.S. oil industry buys \$4.25 billion of Iran's oil a year? That money supports the terrorism, holy wars, arms and nuclear build-up that make Iran dangerous.

Said Mr. Bronfman: "Iran is a rogue nation and the United States should do what it does about Iraq — a boycott until they behave themselves."

Will you stop any oil purchases by Conoco or other oil companies where you have a voice? If they do, I will, he replied. A Conoco spokesman told me later that its subsidiaries are not in that trade. According to The Iran Brief, published by the invaluable Kenneth Timmerman, companies that are include Exxon, Coastal Oil, Mobil and Texaco.

Then I asked about the argument always thrown at me that America's European allies would never go along with a real U.S. oil embargo but just buy more Iranian oil — as Italians are rushing to grab Conoco's deal. Let's make sure our friends understand for whom Iranian terrorism tolls, he said, and then if we have to, do it alone. Please quote me, said Mr. Bronfman. I said don't worry, I will.

Ladies and gentlemen, it was an astonishing journalistic experience. Here was a businessman in the United States not only taking a position against trade with Iran, the new theology in Washington and boardrooms, but still believing that America could act alone against economic empowerment of dictators — if it had to. No hedging! On the record!

Mr. Bronfman gets even more courage points — for volunteering that he looked on the wreckage of the Jewish Center in

Buenos Aires and believes Iran had a hand, or a bomb, in it.

He will pay for that courage by unrelenting anti-Semitic attacks from holy war propagandists. And I suppose there will be those perennially politically jumpy Jews who get upset at even mentioning anti-Jewish terrorism in connection with doing business with Iran.

But the Bronfmans are not alone. Senator Alfonse D'Amato, Republican of New York, has introduced legislation calling for a total embargo on trade between the United States and Iran. He has 25 co-sponsors, including the majority leader, Bob Dole. Maybe they can write it into the Republican platform.

By right of Democratic tradition, and in constancy to his anti-dictatorship speeches during the 1992 campaign, Mr. Clinton should be leading the United States against appeasement and empowerment of dictators, which are the same thing. But when suddenly he began to preach the cynicism that "economic engagement" with Communist China somehow would help democracy there, he sacrificed both tradition and constancy.

Presumably the president will push Russia to cancel the two nuclear plants it has contracted to build for Iran. Who knows, maybe one day he will decide again that fighting appeasement and empowerment is not a something thing, I hope so.

Meanwhile, herewith is my personal medal for the Bronfmans. They can melt it down if they run out of money.

The New York Times

## So What Makes Local Government Less Arrogant and Dumb?

By Jim Hoagland

PRINCETON, New Jersey — You can learn a lot by going to college these days. Especially if you go to teach.

I have been traveling my own information highway (information, to be accurate) once a week this semester to Princeton University to lead a small seminar on politics and the press. We have tackled Newt Gingrich's "Contract With America." Bill Clinton's foreign policy, the First Amendment and national security, and more.

It has been a trip back to the future for me in one respect. My undergraduate days were spent at the University of South Carolina in the late 1950s. The issue that roiled the campus then was states' rights and responsibilities, as the federal government forced an end to segregation in the South. My students at Princeton have been quick to identify states' rights as an issue at the core of the Republicans' contract as well.

The creative tension between the federal center and the states has been the constant theme of the American system of governance. But most of the debate about the contract's provisions for returning power and money from Washington to state and local government misses or ignores that historical context.

Try ignoring historical context at a Princeton seminar and a dozen bright and eager undergraduates will hand you your head. They want to make a difference

with their lives by participating in politics, government or the media.

The civil rights conflict and the Cold War were the twin engines of the recent growth for the federal establishment that the Republicans say they want to uproot.

The logic of history is, to some extent, at work. George Wallace joined black Alabama in singing "We Shall Overcome" a few weeks ago. Strom Thurmond kisses the rings of black voters now. The Cold War is over. The needs of the past half-century will not be the needs of the next.

But the Republicans engage in what Walter Lippmann called "the democratic fallacy" by basing their case on the inherent wisdom and goodness of local government as well as the contract's "mandate" from the November elections. They justify tax cuts that will make it more difficult to balance the budget by waving the people demand those cuts.

In his greatest work of political philosophy, "Public Opinion," Mr. Lippmann argued that American democracy puts too high a premium on the source of power while minimizing the effective use of power as proof of its legitimacy. Walter Lippmann would later go too far in arguing that a specially trained small elite should be given all powers of governance. But he argued effectively against politicians yielding to the passions of the moment and to the dangers of

black citizens. The federal government eventually reacted.

The civil rights conflict and the Cold War were the twin engines of the recent growth for the federal establishment that the Republicans say they want to uproot.

The logic of history is, to some extent, at work. George Wallace joined black Alabama in singing "We Shall Overcome" a few weeks ago. Strom Thurmond kisses the rings of black voters now. The Cold War is over. The needs of the past half-century will not be the needs of the next.

But the Republicans engage in what Walter Lippmann called "the democratic fallacy" by basing their case on the inherent wisdom and goodness of local government as well as the contract's "mandate" from the November elections. They justify tax cuts that will make it more difficult to balance the budget by waving the people demand those cuts.

In his greatest work of political philosophy, "Public Opinion," Mr. Lippmann argued that American democracy puts too high a premium on the source of power while minimizing the effective use of power as proof of its legitimacy. Walter Lippmann would later go too far in arguing that a specially trained small elite should be given all powers of governance. But he argued effectively against politicians yielding to the passions of the moment and to the dangers of

majoritarianism — to mob rule, even if politely expressed.

Our class discussion of Mr. Lippmann and the contract helped me identify an American corollary to Lord Acton's rule on power corrupting whoever uses it. The federal apogee of the past half-century has made Washington arrogant, bloated and dumb. Shifting power to the states will

give the center badly needed shock therapy. But in no time at all, states and cities will show themselves to be equally arrogant, bloated and dumb. The pendulum of power will then shift again to the Potomac.

Or, to put it in the vernacular of current campus life: States' rights? Beten there. Done that.

The Washington Post

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1895: The Sultan's Vow

CONSTANTINOPLE — Sir P. Currie, British Ambassador, died at the palace last night (March 23). The Armenian question formed the principal topic of conversation. His Majesty expressed firm determination to protect all classes of his subjects. The Sultan has issued instructions to have all Armenian ecclesiastics now in prison brought to Constantinople. All those who have not been found guilty of murder, conspiracy to murder or fomenting revolt are to be released as soon as possible. News reached here to-day of further disturbances at Tokat by Turkish soldiers.

effect on Sunday next at midnight. It is believed much confusion will be caused, owing to the fact that the surrounding states of New Jersey, Pennsylvania, Connecticut and Massachusetts are retaining standard time.

### 1945: Across the Rhine

WITH THE BRITISH 2ND ARMY — The 51st Highlanders, wearing lifebelts, led the British forces across the Rhine. They crossed in "buffaloes," and the program is very much on schedule. There was practically no opposition. Buffaloes climbed the high bank of the Rhine, waded down the grassy slopes and took the plunge and soon became a regular shuttle service. A brigadier of the commandos exclaimed as his craft took the water: "Hainibal crossed the Alps with elephants. We're making history crossing the Rhine with buffaloes."

### 1920: New York Time

ALBANY — Efforts to bring about a repeal of the New York State daylight saving law having failed, the new time will go into

**International Herald Tribune**  
ESTABLISHED 1857  
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER  
Co-Chairmen  
RICHARD McCLEAN, Publisher & Chief Executive  
JOHN VINOCUR, Executive Editor & Vice President  
• WALTER WELLS, News Editor • SAMUEL AET, KATHERINE KNORR and CHARLES MITCHELLMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor  
• ROBERT J. DONAHUE, Editor of the Editorial Pages • JONATHAN GAGE, Business and Finance Editor  
• RENÉ BONDY, Deputy Publisher • JAMES McLEOD, Advertising Director  
• JUANA TAI CASPARI, International Development Director • DIDIER BRUN, Circulation Director  
Director de la Publication: Richard D. Simmons  
Directeur Adm. de la Publication: Katharine P. Darrow  
International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.  
Tel.: (1) 41.43.93.00. Fax: (1) 41.43.92.10. Adv.: 41.43.92.12. Internet: IHT@eurcom.kom  
Editors for Asia: Michael Richardson, 5 Cantonment Rd., Singapore (611). Tel. (65) 477-7788. Fax: (65) 274-2334  
Mng. Dir. Asia: Rolf D. Krampholtz, 30 Glenview Rd., Hong Kong. Tel. (852) 2922-1188. Fax: (852) 2922-1190  
Gm. Mgr. Germany: T. Schlier, Friedrichstr. 15, 10117 Berlin. Tel. (49) 30 72 67 55. Fax: (49) 30 72 73 10  
Pres. U.S.: Michael Garmy, 801 Third Ave., New York, N.Y. 10022. Tel. (212) 752-8900. Fax: (212) 753-8295  
U.K. Advertising Office: 63 Lind Ave., London WC2E, Tel. (071) 836-4802. Fax: (071) 240-2254  
S.A. on capital of 1,200,000 F. RCS Nanterre 673202128. Commission Paritaire No. 61337  
© 1995, International Herald Tribune. All rights reserved. ISSN: 0294-0022



## Legal Team Boldly Challenges Japan Cult

By Sheryl WuDunn  
New York Times Service

TOKYO—The last time a lawyer tried to take on the Aum Shinrikyo religious sect, he and his family disappeared.

That was six years ago, and the lawyer, Tsutomu Sakamoto, his wife and one-year-old boy, have not been heard from since.

Now, partly in memory of their friend, Yoshiro Ito, and four other lawyers have taken on his cause, becoming virtually the only legal team that is bold enough to challenge the sect in court.

"I hope that the police raids will turn up some clues about the Sakamoto family," Mr. Ito said. "But I'm doubtful. It's been such a long time."

Since the nerve gas attack Monday in the Tokyo subway, the police have raided 25 branches of the Aum Shinrikyo sect and found tons of chemicals that can be used to make nerve gas.

Although Aum Shinrikyo has denied involvement in the subway attack or the disappearance of the Sakamoto family, a harsh spotlight has focused on a number of bizarre practices of the highly secretive cult.

Several hundred families have now turned to the legal team, in desperation after their sons and daughters joined the sect.

In some cases, parents have not seen their children since 1989, when Aum Shinrikyo, which means "teaching of the truth," became licensed by the government as an official religious organization.

In one court case, four fathers sued Aum

for custody of their children after their wives had taken the children into the sect. They won, according to information provided in a pamphlet published by the legal team, called the Lawyers Group on Behalf of the Victims of Aum Shinrikyo.

Aum asserts that all its members join willingly, but lawyers and Japanese news reports say the sect uses sophisticated methods of mind control geared toward leading the victim into believing that he or she is acting voluntarily.

Lawyers also say the sect operates on fear, threatening that the end of the world is near, and warning that Aum members are being attacked from the outside.

But the sect clearly has a powerful attraction to its 10,000 members in Japan and 30,000 overseas, and many members remained loyal even during the police raids that began Wednesday. Aum representatives declined to be interviewed.

It is unclear what activities members engage in once they join Aum, but bits and pieces have emerged from Japanese news reports, from neighbors who live in the vicinity of the sect quarters and from the lawyers for the family members and former sect followers.

According to the reports, the training of recruits is strenuous and exhausting, sometimes involving bizarre techniques. In one such method, called a "cleansing" technique, trainees drink large amounts of water and then vomit it up.

To become a monk or nun, a member must renounce all family ties and donate all his or her assets to the sect. Lawyers say such trainees are sometimes given drugs,

like LSD, morphine or stimulants, in an effort to influence the recruit's thought processes.

Neighbors say that sometimes the only sounds that can be heard from behind the closed doors of the sect are those of Indian music tapes or lectures by the sect's leader, Shoko Asahara, 40.

When Aum bought a site two years ago in Kametoko, in the eastern part of Tokyo, the neighbors noticed members carrying in a giant boiler. They also carried in a new cooling tower, equipment for air conditioning.

Then steam started spewing out of the tower and a foul smell filled the surrounding air. Small birds died, plants wilted and pets became sick.

Neighbors lost their appetite, and when the steam settled onto passers-by or cars in the area it left stains and horrible smells. It lasted for several days, neighbors say. Neighbors also said they saw black soot spewing from the chimneys for about a week.

"When they brought in such a huge boiler, we wondered why a religious group would need such a thing," said Hirokazu Matsukawa, who lives in the neighborhood. "When we smelled the horrible odor, some people who had survived World War II said it was the smell of burning flesh."

Lawyers said that they had no evidence of any flesh burning, but Mr. Ito said, "Sometimes deaths may occur, either accidentally or from drugs."

He added that more recently the complaints of the odors from the sect buildings were of chemicals.



Japanese police preparing Friday to move bags containing chemicals from Aum Shinrikyo's complex in Kasukabashi.

## CULT: Huge New Chemical Cache Raises Fear of What Might Have Been

Continued from Page 1

Shimbu, the Japanese newspaper with the biggest circulation. In ideal conditions, from a terrorist's point of view, that would theoretically be enough to kill nearly 100 million people.

Another newspaper, Mainichi Shimbu, added up the lethal doses of the individual chemicals found so far—without calculating the added impact of chemical reactions to make sarin—and reported that they could kill 10 million people.

Such numbers are all a bit unreal, partly because there is some uncertainty about the quantities of the various chemicals that have been found. Also, even if terrorists had 50 tons of sarin on hand, they probably would have difficulty administering the precise lethal dose of

about 0.5 milligrams to each of 100 million people.

Yet the headlines do underscore the public apprehensions, particularly as the leaders of Aum Shinrikyo have disappeared, and no one knows if they have any lethal substances with them.

The three limousines in which they apparently fled were found Friday in a parking lot belonging to the Century Hyatt Hotel in the Shinjuku district of Tokyo. The hotel is next to the offices of the Tokyo metropolitan government, which the sect bitterly denounces and which it sued on Friday for more than \$300,000 in compensation for the police raids.

The hotel quickly announced that the sect's leaders were not staying there. Aiko Katayama, a public relations officer for the hotel, noted that the parking lot was used not only by guests but by anybody who pays the fees.

The police have not issued a warrant for the arrest of the leader of the sect, Shoko Asahara, and there is no indication that they have found any direct evidence connecting him and his associates with the attack Monday on five subway trains, all bound for the central government ministries. Ten people were killed and about 5,500 were injured in the attack.

Yet the huge stockpile of chemicals used to make sarin, the kind of nerve gas used in the subway killings, has aroused suspicion. In addition, one more bit of circumstantial evidence has emerged that may link Aum Shinrikyo to another use of sarin in June 1994.

That incident occurred in the central Japanese city of Matsuyama, when a fog of sarin wafted through a residential neighborhood one evening, killing 7 people and injuring about 200. No one was ever arrested, nor

have police indicated that they have a motive.

The sarin used in Matsuyama is said to be chemically almost identical to the sarin used in the Tokyo subway attack, but there had been no clear link between Aum Shinrikyo and the episode in Matsuyama. Officials now say, however, that several judges who were hearing a case about a land dispute involving the sect were living in the neighborhood struck by the poison gas.

One of the judges, Kiyoshi Aonuma, who was to write the opinion in the case, was particularly affected by the sarin, and he and his wife were hospitalized. Because of his poor health, a judgment in the case was postponed. Mr. Aonuma has refused to discuss the incident with reporters, and his wife, reached on Friday by telephone, would say only that he was still in charge of the legal case.

## POISON: U.S. Experts Doubt That Nerve Gas Was Used in Tokyo Attack

Continued from Page 1

Rockefeller University who headed a panel of the National Research Council charged with finding safe ways to dispose of chemical weapons.

None has been privy to direct information from Japan, and none professed to have personal knowledge beyond what they had seen in news reports and photographs. Their opinions were based on many years of experience with chemicals and weapons of the kind supposedly used in Tokyo.

"There's absolutely no evi-

dence that sarin or any other war gas was used in the subway incident," Mr. Hormats said. "Even if only a tiny amount of one of the organophosphate nerve gas chemicals like sarin had been used, thousands of people with any exposure at all would have suffered from night blindness, for example, yet we hear nothing of such an effect."

In 1945, Mr. Hormats was one of the first Americans to study sarin at close hand. The poison-filled one of the gas shells captured from the Nazis near the end of World War II,

"and it was I who brought sarin to the United States for development by our forces." Although he was careful to avoid dangerous exposure from the German shell, he said, he still suffered from total night blindness for a week after opening the shell. Other experts agreed that night blindness, or miosis, is one of the usual effects of mild sarin poisoning.

Reports from Tokyo also mention bleeding from the nose and mouth as a common symptom experienced by the subway victims, but this is not a symp-

tom of nerve gas poisoning, Dr. Meselson and others say.

Dr. Zinder said his main reason for skepticism about reports of sarin in the Tokyo subway system is the small number of casualties.

"There were simply too few dead people, unless the terrorists were unbelievably bad chemists, or the Japanese subway system is air-conditioned using special carbon filters capable of absorbing poison gases," he said. "I've seen no evidence that sarin was involved."

## BRIEFLY ASIA

### Talks on Hong Kong Court Stall

HONG KONG—China and Britain failed Friday to agree on a supreme court for Hong Kong after China takes over in 1997.

Establishing the Court of Final Appeal is viewed as a vital safeguard of the colony's freedoms after the Chinese takeover. The court would become Hong Kong's highest court after 1997, when British legal oversight ends.

But after three hours of talks, Chinese and British negotiators still disagreed over a draft bill to set up the court. They said they would meet again in April. (AP)

### Protesters Battle Police in Seoul

SEOUL—About 1,500 militant students, hurling firebombs and rocks, fought the police in Seoul on Friday, protesting

what they called an inhumane government crackdown on unlicensed street vendors.

Clashes erupted when about 1,000 riot police fired tear gas to block the protesters from marching into the streets after a rally at Sungkyunkwan University near the city center. There were no immediate reports of injuries. Two students were arrested. (AP)

### East Timorese Rally for Indonesia

DILI, Indonesia—About 5,000 East Timorese participated Friday in a government-sponsored rally rejecting a UN-arranged dialogue on East Timor next month in Austria.

Local government groups brought residents to a sports center in Dili, East Timor's capital, for the rally, which was also designed to demonstrate support for the territory's integration with Indonesia. (AP)

# THE MOST COMPATIBLE PHONE.

## NOKIA 2110

Send a fax from a parking lot. Check your e-mail at a street cafe. Browse the Internet in an airport lounge.

The possibilities for cellular data transmission with your portable computer, together with a cellular service and a Nokia 2110 phone, are almost limitless.

With the right accessories, your Nokia 2110 will be compatible with most of today's portable computers – from PCs and Macs all the way to tiny palmtop organizers.

The Nokia 2110. The most compatible phone.

**NOKIA**  
CONNECTING PEOPLE



Nokia and the Arrows logo are registered trademarks of Nokia Corporation.



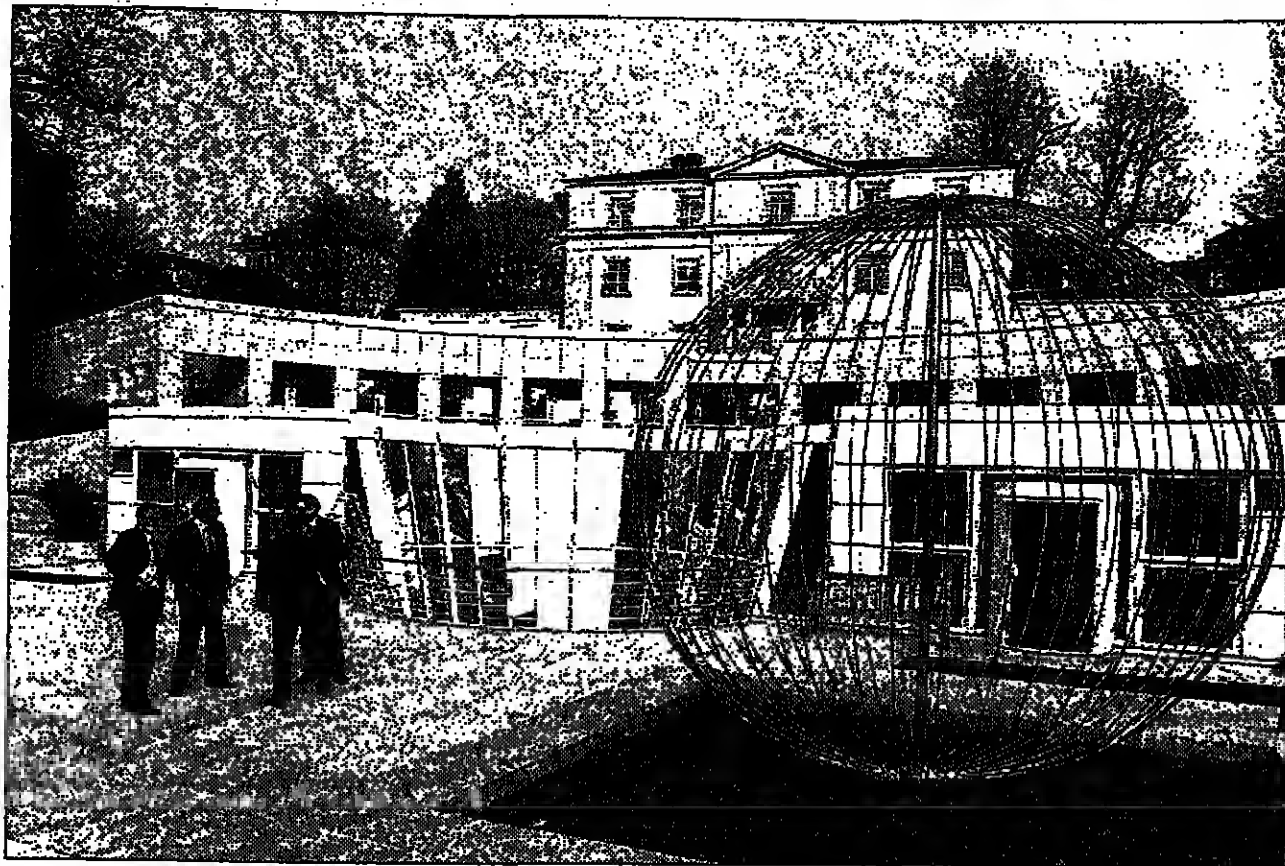




SPONSORED SECTION

SPONSORED SECTION

SPONSORED SECTION



IMD in Lausanne is considered one of the top business schools in Europe.

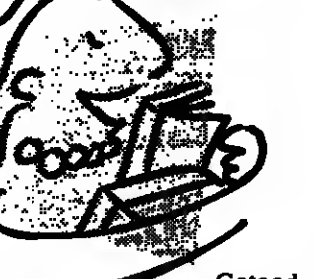
## PRIVATE SCHOOLS IN SWITZERLAND: NOT JUST TRAINING GROUND FOR ELITE

Swiss private schools now focus on multiculturalism and top academic standards.

Switzerland has long had an enviable reputation for the quality of education delivered by its private secondary schools. In the past, attendance at a Swiss school had a certain snob appeal. With growing internationalism, this image has changed, as have both the direction and focus of Swiss private schools. While still developing the "leaders of the future," they are drawing students from a multinational and multicultural background.

Aside from high academic standards, these schools offer the student three very important advantages. First, exposure to an international student body. Second, extensive training in languages. Third, a safe and secure environment.

lies," he says. "If a student is having academic difficulties, the teachers are able to see if the child has a personal problem and help correct it." One of the most famous of all Swiss boarding schools is Le Rosey, which was founded in 1880. With campuses in both Rolle and



Gstaad, it is sometimes referred to as the Eton of Europe.

Aiglon College, located in Chesières-Villars, is also very well-known. Students are able to have full summer and winter sports programs. Its headmaster, Richard McDonald, states that the school aims to create an appetite for self-discovery and provide a rigorous and stimulating education while appealing to a student's sense of self-discipline.

As might be expected from its location, the International School of Geneva is highly cosmopolitan. George Walker, the director, says that nearly 50 nationalities are represented in the student body.

Tasis (the American School in Switzerland), located in the Italian-speaking town of Lugano, was founded

in 1955 to provide an American-style education in Europe.

The Erasmus Institute is a new tutorial school. "Our aim, in part, is to provide students with an interim year before starting university and to help them obtain an enriched perspective of life," says Michael Aeschlimann, the director.

Currently coed Today's Swiss private schools are largely coeducational. The Institution Chateau Mont-Choisi in Pulley-Lausanne has coeducational classes, but it accepts only girls as boarding students. With a maximum of 150 students and 28 professors, classes are kept small, providing very close personal attention.

The American School of Institut Montana, Zugerberg

is located in the German-speaking canton of Zug. It accepts boys and girls in grades 4 through 13. Institut Montana was originally founded in 1926 by Max Hausmann. The American section was opened in 1952. For young children, the John F. Kennedy International School in Saanen-Gstaad offers a homelike atmosphere for up to 45 boys and girls.

Located in an idyllic setting, the school fosters a "global viewpoint." Instruction goes beyond the classroom and includes field trips, cultural activities and sports.

A useful publication, "Private Schools in Switzerland," is available from Swiss government tourist offices and gives a complete list of Swiss private schools. B.E.

## MBA PROGRAMS: THE SWISS ADVANTAGE

A survey of graduate business programs in the country — and a look at the reasons for their success.

For many years, an MBA degree was considered a key to financial success in the business world. As business schools proliferated, however, the utility of the degree has been questioned. A favorite argument is that many of the world's top entrepreneurs never finished university, let alone obtained a master's degree.

Nevertheless, for those who seek positions in the world's business hierarchy, an MBA degree is undoubtedly an excellent way to open the door of the executive suite.

MBAs are essentially an American invention, with the best-known programs located in Harvard, Stanford and Wharton. In Europe, the top business schools include the London Business School, INSEAD near Paris and IMD in Lausanne.

**Pragmatic approach.** Peter Lorange, director of IMD, says that while most MBA programs in the United States emphasize theory, European management schools favor the practical application of concepts and tools in real business situations. "We have a pragmatic approach, which is reflected in the school's ongoing management-training seminars," he says.

There is a second difference between MBA programs in the United States and in Europe: the international content of both the curriculum and the student body. This is a great advantage, says Mr. Lorange. "After all, the essence of management is being able to in-

teract with different people: clients, employees, suppliers, etc.," he says. "Learning management techniques in an international environment, therefore, is ideal as the student is confronted with a real diversity of cultures, values and attitudes. Our aim is to teach the craft of leadership — how to get things done through people. It is a matter of cross-cultural understanding, working with people from different backgrounds."

**Specializations.** Some schools prefer to focus and specialize in certain areas of business. One example is the

The American Graduate School of Business, located in La Tour de Peilz, is also a nonprofit association. Its director, Carmen Pernet, says that their programs include both a bachelor of science in business administration and a master of international business administration.

Rajiv Chopra, director of the Center for Management Studies and

in hotel administration.

Trevor Johnson, dean of Business School Lausanne, says that the school offers a unique "Saturday program," whereby a degree can be earned with attendance required only on Saturdays. The day is long, the homework load is heavy, but the course can be completed in a relatively short period. "This is a program ideally suited to the person who is already established in business and cannot easily take time away, but who needs to further his or her education in order to achieve certain goals and advancement," he says.

**A unique advantage.** European University, located near Montreux, has a unique advantage. Should a business executive studying for an MBA degree suddenly be transferred by his company, he has the opportunity of continuing his studies at any one of 20 different campuses in 10 different countries.

For instance, a student could enroll in Switzerland, be transferred to Munich for the second semester and complete the third portion in Madrid.

While most schools have varying approaches, they share the view that the world has become a global marketplace. In the future, success will be gained more easily by those who have a strong international background combined with an instinctive ability to adapt their business skills to different cultures. B.E.

Development in Sion, points out that his institution offers four different MBAs, specializing in international business, human resources management, marketing management and financial management. The school also offers a master's degree

**International Center for Monetary and Banking Studies** to Geneva, an independent, nonprofit foundation. Caroline Muscicchio, the director, says that the center offers students a close collaboration with European banking experts. The intensive program is aimed at students who have completed university or have an equivalent professional background.

"INTERNATIONAL EDUCATION IN SWITZERLAND" was produced in its entirety by the Advertising Department of the International Herald Tribune. WRITERS: Barry Edgar is based in Lausanne. Ellen Wallace is based in Geneva. PROGRAM DIRECTOR: Bill Mahder.

**Aiglon College** SWITZERLAND The British International EMC boarding school  
• A challenging and rigorous education in intellectual, physical and spiritual self-discipline and self-discovery.  
• 285 boys and girls (11-18); separate Junior School (11-13) • British GCSE and A Levels; American College Board • Fine record of university placement in U.K., mainland Europe and U.S.A. • Friendly international atmosphere • Adventure training with challenging programs of mountain expeditions • Extensive sports, full dining programme in winter • Cultural excursions: Summer School.  
For further information please contact:  
Director of Admissions  
Aiglon College, 1485 Chesières-Villars, Switzerland  
Tel: 41 26 35 97 31 Fax: 41 26 35 28 11

**HTTI SCHOOL OF HOTEL MANAGEMENT**  
Study Hotel Management in the universal language English and obtain an internationally recognised Bachelor Degree (3 years). Also 1-year and short courses available.  
Ask Maria Bais for information at:  
HTTI, Box 5006 Basel, Switzerland.  
Phone: 41-61-312 30 94.  
Fax: 41-61-312 60 35.

**DON'T MISS YOUR CHANCE TO WIN LANGUAGE COURSES**  
By **CERAN**  
See on Page 17

**THE INTERNATIONAL BACCALAUREATE** (ENGLISH, FRENCH, BILINGUAL)  
Boarding, day students.  
Ecole Internationale de Genève  
Route du Chêne 62, 1208 Genève, Tél. 022-736 71 30

**The Career Builders**  
Business Administration System  
• International faculty  
• 15 campuses across Europe

**EUROPEAN UNIVERSITY** INTERNATIONAL BUSINESS SCHOOL  
Write, call or fax:  
Rue de Livourne 116-120, B-1050 Brussels, Belgium.  
Tel: 32 2 648 67 81 Fax: 32 2 648 59 68  
Calle Ganduier 70, E-08021 Barcelona, Spain.  
Tel: 34 3 201 81 71 Fax: 34 3 201 79 35  
Please send documentation about the following EUROPEAN UNIVERSITY business courses:  
• Undergraduate programs (BBA, BS, BA)  
• Graduate programs (MBA, MSc, MA)  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_

**STUDY HOTEL MANAGEMENT IN THE INTERNATIONAL TOURIST CITY OF LUZERN, SWITZERLAND**  
• Diploma, Joint Bachelor Degree, Joint Master Degree Courses  
• Fully accredited by A.C.B.S.P. (USA) and HCIMA (U.K.)  
• Up to 15 months paid industry training in Switzerland  
• Intakes: January, April, July, October.  
DCT International Hotel Management Career Centre  
Admission Office, P.O. Box 1086  
CH-8401 Winterthur, Switzerland  
Telephone: +41 (52) 222 3 222  
Telefax: +41 (52) 222 4091

**CENTER FOR MANAGEMENT STUDIES & DEVELOPMENT - SWITZERLAND** (Accredited By The Chamber of Commerce and Industry)  
**M.B.A. from Switzerland** (Off-Campus Distance Learning/Full-Time/Part-Time)  
• MBA in International Business  
• MBA in Human Resources Management  
• MBA in Marketing Management  
• MHA (Master in Hotel Administration)  
• The first and the only institution in Switzerland to offer you MBA through distance learning.  
• Financially Affordable.  
• Study at your own convenience.  
• Your Effort, Hard Work and Perseverance are required; Your Attendance is Not.  
• Earn and Learn - An Adult Education Approach.  
• Open Access and Flexible.  
For Details, write, call or fax:  
CENTER FOR MANAGEMENT STUDIES & DEVELOPMENT  
Avenue de France 6, CH-1951 SION/VS, Switzerland.  
Phone: (+41-27) 220937, Fax: (+41-27) 360382.

**Château Mont-Choisi**  
INSTITUTION CHATEAU MONT-CHOISI  
International School by Lake Geneva  
BOARDING SCHOOL FOR GIRLS  
COEDUCATIONAL DAY SCHOOL  
Bd de la Forêt, des Remparts 18 (à Rosaz)  
1008 Pully (VD) Suisse - 1271 ZERLIND  
Tel: (+41) 21 728 87 77 Fax: (+41) 21 728 88 84  
• Accredited by European Council of International Schools and New England Association of Schools and Colleges  
• Finest facilities for study and residence: Park, tennis, swimming pool  
• Comprehensive academic program Teacher/student ratio 1:9  
• Intensive French and English. Video methods. Language laboratory  
• Complete American High School Program, grades 9-12 PG year.  
• CEEB (ISAT, SAT, ACT), TOEFL. Advanced placement  
• International college/university counseling and placement  
• Secretarial and commercial courses. Computer science  
• Preparation for hotel, tourism, art and design schools  
• Diversified activities: sports, Ed. trips. Summer course in July.

**BUSINESS & TRAVEL CAREERS**  
PROFESSIONAL TRAINING  
• INTERNATIONAL SECRETARIES  
• SECRETARY-HOSTESSES  
• TRAVEL- AND TICKET AGENTS  
English & French Sessions  
Sessions of 10 or 20 months - Details on request  
**ACADEMIE DE LANGUES ET DE COMMERCE**  
8 Winklerstr. - 1201 GENEVA - Tel: +41-22-731 77 55 - Fax: +41-22-731 28 85

**American University Studies in Switzerland**  
AGSB is fully authorized under the Nonpublic Postsecondary Educational Institutions Act, State of Georgia, USA, for:  
**Bachelor of Science in Business Administration**  
concentrations in Management, Marketing, International Relations  
**Master of International Business Administration**  
concentrations in Management, International Relations  
January, June, August Admission  
For information, contact AGBS, American Graduate School of Business and Institute of Undergraduate Business Studies  
Place des Anciens-Forêts, 1814 La Tour-Peilz, Switzerland  
Tel: (41-21) 944 9501 Fax: (41-21) 944 9504

**For High School Graduates:**  
**Smaller IS Better, As Switzerland Shows**  
Intensive 13th-year tutorial and residential program in the classical-Christian tradition: English literature, modern European history, French, course-correlated travel. Preparation for CEEB exams. Family atmosphere. M.D., Aeschlimann, Ph.D., Columbia, Director.  
**ERASMUS INSTITUTE**  
Le Château de Yvernes, Pratz-Berthoud 29, 1010 Lausanne, Switzerland  
Tel: (021) 6526725 Fax: (021) 6522682

**BSL Business School Lausanne**  
... spearheading the education of a new generation of leaders for tomorrow's global business environment.  
BSL is the first European business school to be accepted for Accreditation by ACBSP in the USA.  
Visit the School, take part in one of the classes and see for yourself.  
BSL Business School Lausanne  
Case Postale 2290, 1002 Lausanne  
Tel: +4121/617 38 33 Fax: +4121/617 38 37

**INTERNATIONAL COLLEGE OF HOSPITALITY ADMINISTRATION**  
BRIG SWITZERLAND  
There is no need to leave Europe to earn a quality American University Degree.  
The best of both worlds is at your doorstep, combining the traditional Swiss art of hotel/tourism with the prestige of an American university education (University of Massachusetts). The Bachelor of Science degree in International Hospitality Management will open doors for you worldwide.  
HOTELCONSULT SHCC COLLEGES  
CH - 1897 Le Bouveret 1. Phone: +41 25 - 81 38 62 or 81 30 51  
Fax: +41 25 - 81 36 50

**Webster UNIVERSITY**  
Accredited American Degree Programs in an International Setting  
**MBA, MA, BA, BS**  
15, route de Collex - 1293 Bellevue - Geneva  
Tel.: (022) 774 24 52 - Fax: (022) 774 30 61  
GENEVA - LEIDEN - LONDON - VIENNA - ST. LOUIS











**SPONSORED PAGE**

# THE TIMELESS APPEAL OF THE CAMP FIRE

ones: Bollettieri has had campers from 40 different countries.

The Gow Summer Programs offer academic enrichment programs for those ages 8 to 19 who have "average to above-average IQs with a gap in potential," according to Michael Holland, director of the summer programs. "The idea with the summer program is an atmosphere where campers get some academics without the loss of a summer vacation," he explains.

## NATIONAL CAMP ASSOC. Camp Advisory Service

FIND THE RIGHT CAMP  
THIS SUMMER

AT NO COST TO YOU

- Searches: General, Specialty, Academic & Travel
- Specific Recommendations to Specific Academic Camps
- Complete Information and Personalized Guidance
- Free NCA Guide to Choosing an Academic Camp

National Camp Assoc.  
212-445-0653  
in US 1-800-665-CAMP  
Tues. - Fri. 9:00 - 5:00 PM

610 FIFTH AVE. • NY, NY • 10015

## International Summer Programs

*2Harker*

### CULTURAL EXPERIENCE:

Small groups, experienced staff  
ESL, academics, travel...

June 25 - August 26

Boys & Girls

Agers 8 - 14

### CONTACT:

The Harker School • 500 Stratford Ave.  
Saratoga, California 95129

408-246-2510 • (USA) • Fax: 408-864-8361

To receive free information from the  
advertisers on this page, please fill  
in the reader response coupon on  
*Page 10*

 Most Summer Camps will  
take you to see the animals.  
We'll take you if you are  
an animal.

Bollettieri Tennis    Leadbetter Golf    Schulz Soccer

At The Bollettieri Sports Academy  
For Your Free Summer Camp Registration Kit  
Call (813) 755-1000.

**Computer-Ed<sup>®</sup> HIGH-TECH CAMP**

• Build a PC • Repair a PC • Radio  
Controlled Cars & Boats • Computer  
Programming • Rockets • Telecommunications  
• Robots • Computer Art & Graphics • Music  
• Keyboarding • W/P • Animation • Home &  
Interior Design • Recreation • Sports • Basketball  
• Clinic • Drama • Trivia • Tennis Lessons • English  
as a Second Language Program and more!

## NATIONAL CAMP ASSOC. Camp Advisory Service

FIND THE RIGHT CAMP  
THIS SUMMER

AT NO COST TO YOU

- Searches: General, Specialty, Academic & Travel
- Specific Recommendations to Specific Academic Camps
- Complete Information and Personalized Guidance
- Free NCA Guide to Choosing an Academic Camp

National Camp Assoc.  
212-445-0653  
in US 1-800-665-CAMP  
Tues. - Fri. 9:00-5:00 PM

610 FIFTH AVE. • NY, NY • 10015

## International Summer Programs

*2Harker*

### CULTURAL EXPERIENCE:

Small groups, experienced staff  
ESL, academics, travel...

June 25 - August 26

Boys & Girls

Agers 8 - 14

### CONTACT:

The Harker School • 550 Stratton Ave.  
San Jose, California 95129

408-246-2510 • FAX: 408-984-8361

 Most Summer Camps will  
take you to see the animals.  
We'll take you if you are  
an animal.

Bollettieri Tennis    Leadbetter Golf    Schulz Soccer

At The Bollettieri Sports Academy  
For Your Free Summer Camp Registration Kit  
Call (813) 755-1000.

**EXPLORATION SUMMER PROGRAM**  
**The World Leader in Summer**  
**Enrichment Programs**  
 Academic Workshops • Activities • Sports  
 Two Locations Near Historic Boston

*Wellesley College, Wellesley, Massachusetts*

- Senior Program, entering grades 10 - 12
- Intermediate Program, entering grades 7 - 9
- *St. Mark's School*, Southborough, Massachusetts
- Junior Program, entering grades 4 - 6

470 Washington St. • PO Box 368 • Norwood, MA 02062  
 Tel: 617/762-7400 • Fax: 617/762-7425

## NATIONAL CAMP ASSOC. Camp Advisory Service

FIND THE RIGHT CAMP  
THIS SUMMER

AT NO COST TO YOU

- Searches: General, Specialty, Academic & Travel
- Specific Recommendations to Specific Academic Camps
- Complete Information and Personalized Guidance
- Free NCA Guide to Choosing an Academic Camp

National Camp Assoc.  
212-445-0653  
in US 1-800-665-CAMP  
Tues. - Fri. 9:00-5:00 PM

610 FIFTH AVE. • NY, NY • 10015

## International Summer Programs

*2Harker*

### CULTURAL EXPERIENCE:

Small groups, experienced staff  
ESL, academics, travel...

June 25 - August 26

Boys & Girls

Agers 8 - 14

### CONTACT:

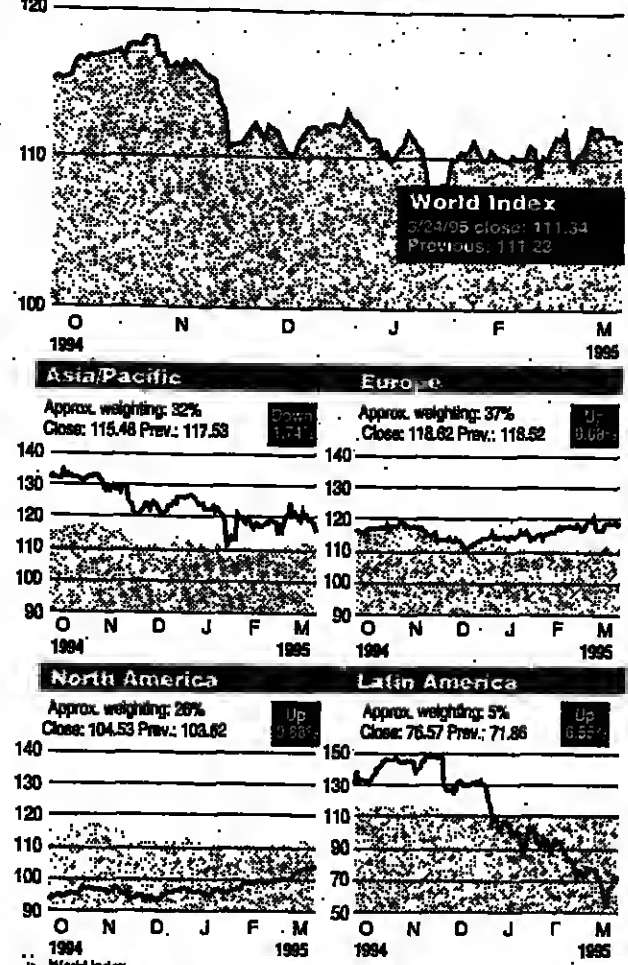
The Harker School • 550 Stratton Ave.  
San Jose, California 95129

408-246-2510 • FAX: 408-984-8361



## THE TRIB INDEX: 111.34

International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major financial centers. The index is composed of the 20 top issues in terms of market capitalization, otherwise the top 50 issues are tracked.

Industry Sector	PL	CL	PR	CH
Energy	115.52	114.74	+0.68	
Utilities	114.90	113.11	+1.59	
Finance	105.05	107.50	-1.26	
Services	108.41	108.50	-0.09	
Capital Goods	114.48	113.99	+0.48	
Raw Materials	128.12	128.90	-0.88	
Consumer Goods	109.53	109.48	+0.31	
Miscellaneous	117.86	117.18	+0.43	

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

## And the Oscar Winner Is: PolyGram?

### Dutch-English Studio Making Quiet Inroads in Hollywood

By Erik Ipsen  
International Herald Tribune

LONDON — As the president of a movie studio that few have ever heard of, and as someone who professes a marked preference for keeping things that way, Michael Kuhn is faced with an unusual threat by the U.S. film industry's Academy Awards next week.

With five Oscar nominations to his credit, led by a best-picture nomination for "Four Weddings and a Funeral" and a best-actress nomination for Fionnula Flanagan in "Nell," Hollywood may be about to discover a European interloper in its midst: Mr. Kuhn's fledgling studio, PolyGram Filmed Entertainment.

"I hope I am not noticed in Hollywood," said Mr. Kuhn, 45. He added that, for him, anonymity was part of "the good art of war."

Over the last four years, Mr. Kuhn has laid the groundwork for the day when PolyGram might emerge as a major new force in film making. It is a process he hopes to complete by late 1996. Then, PolyGram plans to slip the last element of its strategy into place by breaking into the highly lucrative but highly risky business of film distribution in the United States.

To date, Mr. Kuhn has spent modestly and, above all, without fanfare. He has gone through his first \$200 million cash stake from his parent, the London-based record-music company PolyGram NV, and is well along in a second tranche of \$300 million that was granted late last year.

He has also bought majority stakes in, among other things, three Hollywood-

based production companies, and has snapped up a medium-sized film and television-catalog concern in Britain whose titles range from "Sophie's Choice" to the cult-classic TV show "The Prisoner."

Mr. Kuhn acknowledged that his plans could absorb as much as \$2 billion by the time they were complete. But his source of capital appears to have plenty of confidence in him.

"Right now, we are somewhere between testing the water and being fully in it," said

"Right now, we are somewhere between testing the water and being fully in it."

Alain Levy, chief executive, PolyGram NV.

Alain Levy, PolyGram NV's chief executive.

One reason for the parent company's optimism is that PolyGram Filmed Entertainment has demonstrated its ability to do something that film companies are notorious for not doing — setting a budget and sticking to it. Such frugality is crucial for PolyGram NV because, at the end of the day, the vast cash generated by its record labels such as Motown, Def Jam, Decca and Deutsche Grammophon, is not its own to spend. PolyGram is 79 percent owned by Philips Electronics NV of the Netherlands.

Mr. Levy confessed that if he had asked Philips up front for the \$2 billion his film

unit may yet absorb, "I don't think I would still be here."

Indeed, PolyGram has pursued what its executives insist is a most un-Hollywood-like approach: a fierce refusal to fall in love with movies. Mr. Levy maintained he had no do-or-die ambition to make it in a business where others have lost billions with the best of intentions and the greatest of ease.

Mr. Kuhn's job is to pour over the financial parameters and to come to some conclusions as to the marketability of film projects submitted to him by the film unit's wholly- or partly owned production companies. In other words, he leaves the artistic element to those who inhabit that realm.

He said he was convinced that it is people like Ted Field, the head of PolyGram Filmed Entertainment's majority-owned film production unit Interscope, and Mark Burg, head of wholly-owned Island Pictures, that are best able to do everything from picking scripts to casting movies.

PolyGram executives have stressed, however, that they would pull the plug on the entire operation if it showed any signs of departing from its planned trajectory. At one point last year, one of the official options was to do just that.

"It is a business that eats cash," said Mr. Levy. Most draining of all is distribution. To open a movie on 2,000 screens costs \$20 million. "For 10 movies, that means you have \$200 million at risk," he said.

But he insisted that with negligible debts and huge cash flow, PolyGram would have little difficulty playing in a game that required such a huge ante.

## Slowdown Sign Gives a Lift To Wall Street

Compiled by Our Staff From Dispatches

WASHINGTON — In a boost to inflation-wary securities markets, U.S. factory orders for big-ticket durable goods fell 0.8 percent in February, the government said Friday.

The drop was the first in four months in the interest-sensitive manufacturing sector.

Orders for durable goods — items, ranging from airplanes to major appliances, that are expected to last more than three years — totaled a seasonally adjusted \$163.2 billion last month.

"Demand is softening from higher interest rates," said Stephen S. Roach, chief economist at Morgan, Stanley & Co. in New York.

The report eased financial market fears that Federal Reserve System policymakers would raise interest rates at their meeting next week.

As a result, the benchmark 30-year Treasury bond gained 31/32, to 103 6/32, for a yield of 7.36 percent, down from 7.46 percent on Thursday.

Rising bond prices propelled U.S. stocks to record territory, with the Dow Jones industrial average closed 50.84 points higher, at 4,138.67.

The Dow rally helped driving the Standard & Poor's 500 index over the 500 level for the first time, with the S&P closing at 500.97, up 5.02 points from Thursday.

Although factory orders had grown in the previous three months, the increases had slowed from 3.4 percent in November to 1.4 percent in January. The last decline had been a 0.8 percent drop in October.

The slowing trend appeared similar to those in other sectors of the economy as seven interest-rate increases by the Fed over the past 13 months began to take hold.

The central bank has been trying to slow the economy to what it considers a sustainable growth rate to keep inflation under control.

Hugh Johnson, market strategist at First Albany Corp., said the durable-goods report sparked a broad-based rally in stocks because it signaled "once again, the perfect-world outcome. The economy is growing, but it's slowing to a more sustainable, less inflationary pace."

But Chris Rupkey, economist at Mitsubishi Bank Ltd., said, "The durable-goods report shows that manufacturing is easing off, but the drop is not enough of a decline to say the economy is slowing drastically."

Despite the February fall durable goods orders, the manufacturing sector still is considered healthy. Indeed, the Fed reported a survey of economic activity earlier this month found that although the pace of economic expansion has moderated, manufacturing remained strong.

Durable-goods orders are a key barometer of manufacturing industry plans. Increased orders often lead to more production and jobs. They also are considered sensitive to a changing interest-rate environment because the items often are purchased on credit.

Orders for nondefense capital goods excluding aircraft fell 2 percent after See **ORDERS**, Page 14

## Cray Computer Files for Bankruptcy Protection

Compiled by Our Staff From Dispatches

COLORADO SPRINGS — Cray Computer Corp., the manufacturer of supercomputers, announced Friday that it had filed for bankruptcy protection from creditors after failing to raise \$20 million to develop the world's fastest computers.

The company founded by the father of supercomputing, Seymour Cray, laid off its engineering, manufacturing, and marketing personnel.

The move was not unexpected. Cray Computer had been trying to raise \$20 million to develop and market its Cray-3 and Cray-4 supercomputers by placing common stock with foreign and institutional investors. Cray shares lost most of their value after the announcement, sliding 68.8 cents, to 25 cents, in active over-the-counter trading on Friday.

The company said it filed the bankruptcy petition under

Chapter 11 of the U.S. Bankruptcy Code in federal court in Colorado.

Cray executives were not available for comment. In a recorded telephone announcement about the bankruptcy filing, the company said, "We had hoped to avoid this action but were unable to raise the large amount of money needed to carry us until we could expect revenues from the sale of our supercomputers."

The company was spun off from Cray Research Inc. in 1989 to bring to market a supercomputer concept that Mr. Cray had been working on since 1983.

The company ran into trouble in December 1991 when it failed to meet a deadline for the Cray-3. Its sole customer, Lawrence Livermore National Laboratory, then withdrew its order.

(Bloomberg, Reuters)

## ECONOMIC SCENE

### Direct Investment Braves Peso Crisis

By Lawrence Malkin  
International Herald Tribune

NEW YORK — When Finance Minister Guillermo Ortiz visited Wall Street last week to promote Mexico's recovery program, the continued flow of foreign investment directly into Mexican companies and factories was one of the few elements about which he felt confident. Specialists in multinational investment say he is probably right.

While stocks and bonds in many emerging markets are under a cloud after the Mexican financial crisis, new direct investment in developing countries is not expected to be affected in the same way as portfolio investment, according to Karl Sauvant, chief of research on international corporations at the United Nations Conference on Trade and Development in Geneva.

"Most foreign direct investment is not made in response to exchange rates," he said, "and is relatively impervious to short-term economic shifts."

Much more important for multinational companies, he said, is expanding foreign markets by securing production footholds there, as well as taking advantage of regional trading arrangements such as the North American Free Trade Association that give the advantage to locally produced goods. This strategy is as old as the establishment of American automobile plants in Europe in the 1920s.

For that reason alone, Mr. Sauvant said he expects direct investment in Mexico to

continue from Europe and Japan as well as the rest of North America, although out at last year's record pace. Much of that \$8 billion went into networks to distribute consumer goods, which will wither as Mexico sharply adjusts its payments imbalance. Mr. Ortiz estimated nevertheless that direct investment would total at least \$2 billion this year, some to buy up failing private banks and privatized petrochemi-

cal and other state companies at cheap prices in devalued Mexican pesos.

Mr. Sauvant said the relationship between portfolio and direct investment is tenuous at best, although a dramatic decrease in the amount of foreign money going into stocks and bonds can keep companies away by affecting confidence in the country itself, and this could slow down the flow of money to Mexico.

Worldwide, foreign direct investment grew steadily in developing countries during the 1991-92 recession, and the annual flow during the past four years has doubled, to an estimated \$80 billion in 1994, according to the UN

organization's latest report, prepared for its annual conference on transnational investment next month in Geneva.

Developing countries have also increased their share of direct investment from 25 percent of the total in the first half of the 1980s to 39 percent last year, and the UN organization expects that growth to continue.

One reason is the rise of investment in services. Although 45 percent of internationally traded goods have at least some components produced in more than one country, that applies to only 10 percent of services. But computerization makes insurance a worldwide product, enables New York banks and securities houses to process their paperwork in Ireland and Jamaica, and lets Swissair do the bookkeeping for its completed airline tickets in India.

Among developing countries, China has experienced the greatest surge of foreign direct investment to support its economic reforms. In 1993 it led the world with an inflow of \$28 billion. That sum increased to \$34 billion in 1994, but the United States surpassed it in the world rankings. With a cyclical improvement more typical of the flows among developed countries, foreign investment in the United States rose to \$41 billion.

China has a "special edge," the UN report said, because three-quarters of its foreign direct investment has come from ethnic Chinese in Hong Kong, Singapore and Taiwan. An additional 12 percent originated in Japan, while 11 percent was from the United States.

## Mexico Pushes for New \$1 Billion Loan

By Peter Truell  
New York Times Service

NEW YORK — J.P. Morgan & Co. is seeking to raise \$1 billion that Mexico could use to help bolster its banking system, New York bankers say.

The financing, which would have a maturity of several years, is intended to replace a \$3 billion short-term loan that was proposed in January but never brought to fruition.

The apparent failure to complete the January financing has raised concern that bankers have been getting cold feet as Mexico's crisis has worsened.

But Mexican officials say the revised plan reflects the realities of the financial support the country has received from the

### IMF to Weigh Currency Plan

International Herald Tribune

PARIS — A senior official of the International Monetary Fund denied news reports Friday suggesting that a proposal to pump \$5 billion of the IMF's artificial currency into the world economy had been shelved by the organization.

Philippe Maystadt, head of the IMF's policy-making Interim Committee, had been quoted as saying that the proposal would not be on the agenda at the fund's semiannual meeting in Washington.

The IMF official, who declined to be identified, said Friday night that Mr. Maystadt had been misquoted. He said delegates would consider variations of the proposal, intended to make more resources available to contend with crises like Mexico's.

Under the plan, the IMF would have issued Special Drawing Rights, its artificial currency, to all 179 member nations.

United States and others since Jan. 9, when Mexico first requested the \$3 billion to shore up its battered banking system.

Finance Minister Guillermo Ortiz, in a letter sent Wednesday to Mexico's most important foreign bankers, said "a great deal has changed" since Jan. 9.

Mexico is now receiving nearly \$50 billion in financial support from the International Monetary Fund, the United States and other countries, he said. So a \$3 billion loan, which would take some months to collect and which "would only remain available until the end of this year, will not be of real benefit to Mexico," the letter said.

In light of those circumstances, Mexico is now consulting with a number of banks to design a new, "market-based government of Mexico" loan that would support a program to safeguard Mexican banks.

In December, Mexico devalued, then floated, the peso, and in the last three months the peso has lost roughly half of its value.

## GAN to Get Elf Aquitaine Shares in State Bailout

Reuters

PARIS — Groupe des Assurances Nationales, the state-controlled French insurer, said Friday that the French government would come to the aid of its troubled balance sheet.

GAN said that under a new rescue package, the government would transfer 2 billion francs (403.2 million) worth of shares in Elf Aquitaine SA, the state oil company, to GAN to bolster its books.

The move would permit GAN to proceed with cleaning up the accounts of its property investment unit, UIC, which has been hit hard by bad property loans.

GAN, which owns 68 percent of UIC, said the property concern would post a loss of 3 billion francs for 1994. UIC is expected to lose money in 1995 although the deficit would be much reduced from 1994, partly reflecting the outlook for the French real estate market, which remains mediocre, GAN said.

In return for the government assistance, GAN is to repay the state through shares from a capital increase to be carried out before the end of the first half of the year, the insurer said.

GAN, which is France's third-largest insurer and is 75.9 percent state-owned, said the government assistance would allow it to proceed with a recapitalization of UIC. The recapitalization would equal the amount of UIC's loss for 1994, it said.

## Hopewell Defuses a Mystery

By Kevin Murphy  
International Herald Tribune

HONG KONG — Moving to head off controversy over its disclosure practices, Gordon Wu's Hopewell Holdings Ltd. revealed Friday that Japan's Kanematsu group was the mystery buyer of a small \$124.5 million stake in Hopewell's massive highway project in southern China.

A statement from Hopewell, to be published in local newspapers Saturday, also denied the company had violated disclosure rules of the Stock Exchange of Hong Kong.

The statement indicated that Kanematsu's purchase of a 2.5 percent stake in the first phase of the Guangzhou Superhighway project may be the first step in "further mutual cooperation" between the two companies in other Chinese road and real estate developments.

Hopewell, through its interests in real estate, highway and power project development across Asia, was one of the first companies to negotiate and build privately owned power stations in China.

Mr. Wu's company and its subsidiary, Consolidated Electric Power Asia, have organized some of Asia's most ambitious developments and largest long-term funding programs, a scenario that requires a delicate balance between the need to generate near-term profits against future investment requirements.

"Hopewell has a long-established relationship with Kanematsu, which dates back to the early 1970s," the statement said.

The Japanese group and Hopewell have joined forces for various ventures, from hotels to power stations, the statement continued, and the new deal "represents Kanematsu's first investment in the transport/property-linked sector of Hopewell's business."

According to the South China Morning Post, the Hong Kong Stock Exchange had requested that Hopewell clarify details of the deal, demanding a response by the close of business on Friday. The paper quoted the director of the exchange's listing division, Estella Ng.

Hopewell's half-year profit results surprised and angered many analysts when they were announced Tuesday, because the previously undisclosed deal with Kanematsu accounted for 80 percent of Hopewell's interim profit of 1.26 billion Hong Kong dollars (\$162.8 million).

The half-year figure represented a drop of nearly 19 percent from last year, and the company announced that it would waive its dividend.

The Kanematsu deal appears to value the entire highway project and the development of commercial property along the toll road at nearly \$13 billion.

### 4 U.S. Firms To Delist From Tokyo Bourse

Reuters

TOKYO — Four big American companies said on Friday they would delist their shares from the Tokyo Stock Exchange, dealing a blow to confidence in the battered bourse.

Ford Motor Co., General Electric Co., Allied Signal Inc. and American Express Co. said the number of shareholders and trading volume in their shares had sunk so low in recent years that maintaining listings was not worth the cost.

A number of foreign companies have deserted the Tokyo Stock Exchange in recent years. After the latest delistings, 85 foreign companies will remain listed on the exchange.

It costs about 10 million to 15 million yen (\$10,000 to \$165,000) annually for foreign companies to maintain a listing.

## CURRENCY & INTEREST RATES

Cross Rates	March 24	Eurocurrency Deposits	March 24
Amersterdam	1.35 2.78 1.33 6.34 0.51 1.61 1.29 1.29 1.29	Discount rate	5.00 5.00 5.00
Brussels	2.28 4.35 2.62 5.28 1.84 1.30 1.30 1.30 1.30	Prime rate	6.00 6.00 6.00
Frankfurt	1.60 2.50 1.60 3.20 1.00 1.00 1.00 1.00 1.00	Federal funds	5.25 5.25 5.25
London (\$)	1.00 1.00 1.00 1.00 1.00 1.00 1.00 1.00 1.00	3-month CDs	5.50 5.50 5.50
Mexico	1.25 2.50 1.25 2.50 1.25 1.25 1.25 1.25 1.25	6-month CDs	5.75 5.75 5.75
Paris	1.25 2.50 1.25 2.50 1.25 1.25 1.25 1.25 1.25	9-month CDs	5.87 5.87 5.87
Porto	1.25 2.50 1.25 2.50 1.25 1.25 1.25 1.25 1.25	1-year CDs	6.00 6.00 6.00
Spain	1.25 2.50 1.25 2.50 1.25 1.25 1.25 1.25 1.25	3-month T-bills	5.50 5.50 5.50
Tokyo	1.25 2.50 1.25 2.50 1.25 1.25 1.25 1.25 1.25	6-month T-bills	5.75 5.75 5.75
Yen	1.25 2.50 1.25 2.50 1.25 1.25 1.25 1.25 1.25	9-month T-bills	5.87 5.87 5.87
1 Euro	1.25 2.50 1.25 2.50 1.25 1.25 1.25 1.25 1.25	1-year T-bills	6.00 6.00 6.00
1 Dollar	1.25 2.50 1.25 2.50 1.25 1.25 1.25 1.25 1.25	3-month Govt bonds	5.50 5.50 5.50







## EUROPE

# Union Bank Deal With Shareholder Comes to Naught

Compiled by Our Staff From Dispatches  
ZURICH — Union Bank of Switzerland said Friday that it had failed to resolve its legal dispute with its largest shareholder, Martin Ebner's BK Vision, shattering investors' hopes of a settlement.

Chairman Nikolaus Seem said the bank and BK Vision were approached by a group of shareholders, which hold roughly 10 percent of the bank's total capital, on a settlement.

The company said BK Vision refused the offer, which included financial compensation for registered shareholders. There was no comment from BK Vision.

UBS's bearer shares gained 3.6 percent Friday, amid speculation the dispute might have been settled, leaving the way open for UBS to introduce a controversial stock plan. The announcement that there was no resolution was made after the market closed.

The plan was for the bank to propose a capital increase of 90 million Swiss francs (\$77.6 million). The offer would have included bearer shareholders but offered favorable subscription rights to registered shareholders as a form of compensation.

UBS also offered to reduce

the number of directors on its board, a long-standing demand from Mr. Ebner.

In exchange, BK Vision would have had to drop all its lawsuits.

Peter Nobel, a professor, tried to negotiate a settlement between the two parties, UBS said. "The decision to agree to such a settlement was not an easy one for UBS," Mr. Seem said, "since the bank is confident of ultimately winning the current legal battle."

He said the compromise proposal remained valid for the time being.

BK Vision, which is controlled by Mr. Ebner, owns 18 percent of UBS registered shares and 2.7 percent of the bearer shares.

Last November, shareholders narrowly approved a proposal by the bank to create a single class of bearer shares.

BK Vision has challenged the plan and blocked its implementation in court, arguing that it would dilute the voting power of registered shareholders.

UBS has so far lost the court decisions, the last of which upheld a previous ruling blocking the introduction of the share structure. (Bloomberg, AFX)

## Arbed Returns to Profit

Compiled by Our Staff From Dispatches

BRUSSELS — Arbed SA, the Luxembourg-based steel maker, said Friday that its 1994 net profit rose to 414 million Luxembourg francs (\$14 million) from a 5.7 billion franc loss in 1993.

The company said the result was achieved despite its withdrawal from the cement business.

Arbed had previously said that increases in sales and prices for long- and flat-steel products would improve its results for 1994. Sales increased 7 percent, to 205.7 billion francs from 192 billion francs a year earlier.

Arbed's shares fell 100 francs, to 3,910 francs, in Brussels after the results were announced.

Arbed said that operating profit rose to 7.7 billion francs, compared with an operating loss of 1.3 billion francs in 1993.

Steel production at Arbed's European and Brazilian plants increased 8 percent, to 8.4 million tons, the company said. Some of the rise was due to Arbed's acquisition of a majority stake in Germany's Stahlwerke Bremen AG, which produced 3.1 million tons in 1994.

Some financial analysts praised the results, noting that Arbed's chairman, Joseph Kinsch, had said a year ago that the company only hoped to break even in 1994. Arbed is the fifth-largest steel maker in Europe. (Bloomberg, AFX)

# What Venue for Leeson?

## Where He'll Face Trial Is Up in the Air

Bloomberg Business News

FRANKFURT — As evidence mounts linking management failures in Barings PLC with the collapse of the British banking company, the question of where Nicholas Leeson will stand trial for his part in its demise is becoming complex.

Specialists in international business law said Singapore's strict penal system would deter Leeson from shipping the former trader back there.

But it is unclear whether British authorities could gather enough evidence against Mr. Leeson to support his extradition to Britain.

"He's a British citizen, and after all, the damage was to a British bank," said Stanley Arkin, an American lawyer specializing in international extradition. "An attorney could say: 'This is a bad guy, but the charges put him more in the category of a financial miscreant.' These are good arguments against Singapore."

Mr. Leeson's own position is clear. Having been held by German police since arriving in Frankfurt on March 2 on a flight from Brunei, a week after Barings's trading losses came to light, he has made clear he wants to stand trial in Britain, where lawyers maintain he would face more sympathetic treatment than in Singapore.

He has hired one of Germany's leading criminal lawyers, Eberhard Kempf, to plead his case.

Mr. Kempf has taken part in some of Germany's most notorious white-collar crime cases. He said it was "inappropriate" to comment on Mr. Leeson's case "before we know exactly what charges he is facing and where."

Mr. Leeson has been blamed by Barings for placing unauthorized bets on the benchmark Japanese stock index. The trades went disastrously wrong, causing losses of about \$1.35 billion for the bank.

He is entering his fourth week in Frankfurt-Hochst prison, where he is being held under a provisional warrant issued by Singaporean police.

Singapore has until May 3 to file a full arrest warrant, having already provided evidence to support charges carrying a seven-year custodial sentence.

The German State Superior Court must decide whether Singapore has grounds to request Mr. Leeson's extradition. A decision to extradite must also be approved by the German government.

Mr. Kempf has said in the past that the defense's "best hope" is to push Britain to seek Mr. Leeson's extradition.

London's Serious Fraud Office has to gather evidence to support a charge that would carry a prison sentence of at least 12 months before it can file for Mr. Leeson's extradition. "That's a big burden of proof on us," an office spokesman said.

Dick Ferguson, chairman of the Criminal Bar Association for England and Wales, said the office may be having difficulties extracting information from Mr. Leeson from Singapore

police. "They have all the evidence," he said. There is increasing evidence that Mr. Leeson did not act in isolation. On March 21, the Bank of England's top banking supervisor gave the strongest indication yet that investigators believed more than one person responsible for the collapse of Barings, citing a "severe and dramatic breakdown" of control in the Singapore office.

Lawyers agree that Mr. Leeson would risk harsh treatment in Singapore.

"Singapore's prison system is effective and very stringent," Mr. Ferguson said. "He

'He's a British citizen, and after all, the damage was to a British bank. These are good arguments against Singapore.'

Stanley Arkin, a lawyer specializing in extradition.

would clearly have a better existence both before trial and during a prison sentence in the U.K."

If Mr. Leeson does go to Singapore, the British consulate there would not be able to influence his prison conditions.

Asked whether he was concerned that Mr. Leeson could face corporal punishment in Singapore, James Gardner, a spokesman for the Foreign and Commonwealth Office in London, answered: "If that's the law of the country, then that's the law of the country."

That risk could force Britain's hand, Mr. Arkin said. "The issue of his punishment would start to override the issue of his conduct," he said. "That's in nobody's interests, especially not the U.K.'s."

Mr. Leeson's British lawyer said in early March that his client was prepared to pass on information to help the Serious Fraud Office's inquiry into Barings's collapse. He said Mr. Leeson had given him "some very interesting information" on Barings executives. That information could be used as a trade-off for an extradition request, lawyers said.

■ **Malaysia Arrests 2 Over Missing Paper**

Police in Malaysia arrested two more employees of a courier service Friday in connection with missing stock certificates worth 5 million ringgit (\$2 million) sent by Barings Securities in Singapore to its Malaysian sister company, according to the Bernama news agency, the Associated Press reported from Kuala Lumpur.

Police arrested two other employees of the company Thursday. The securities were discovered missing Monday from three bags stored in the courier company's office in a suburb of Kuala Lumpur.

# Porsche Eliminates Its Loss in First Half

Compiled by Our Staff From Dispatches  
STUTTGART — Porsche AG, the German sports-car maker, said Friday that it broke even in the first half of its 1995 financial year as export sales grew steadily, particularly in the United States.

Porsche said sales grew by 20 percent, to 1.18 billion Deutsche marks (\$843.0 million), for the six-month period ended Jan. 31, compared with first-half sales of 980 million DM in the 1993 financial year.

Unit sales, including cars Porsche made for fellow German automakers Audi AG and Mercedes-Benz AG, jumped 43 percent over the period, to 10,043 vehicles.

The company's preferred shares fell 3 DM, to 560 DM, on the results.

Porsche said sales in the key U.S. market soared 89 percent, to 3,293 cars, while sales in other export markets were up 14 percent, to 2,953. Domestic sales rose 41 percent, to 3,797.

Wendelin Wiedeking, Porsche's chairman, said earlier this month that car sales were running better than forecast, which would help compensate for the strong mark and the weak dollar.

Analysts said the company's current turnaround was due to stringent cost cutting and to the success of its new 911 Carrera model. (Reuters, Bloomberg)

## Mercedes to 'Clean Up'

Mercedes-Benz AG said it was "cleaning up" its operations in Eastern Europe to prevent being swindled again by a former executive alleged to have cheated the company out of at least 2.3 million DM, Bloomberg Business News reported from Stuttgart.

"The entire sales distribution system in Eastern Europe is under review," said Detlef May, a Mercedes spokesman. Mr. May said Mercedes filed fraud charges against its former executive responsible for exports to Eastern Europe. The company said the executive routed cars destined for Eastern Europe to Japan, where prices were 20 percent higher, and pocketed the difference in the sales price.

Investor's Europe				
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
2150	3200	1925		
2100	3125	1850		
2050	3050	1775		
2000	2975	1700		
1950	2900	1625		
1900	2825	1550		
1850	2750	1475		
1800	2675	1400		
1750	2600	1325		
1700	2525	1250		
1650	2450	1175		
1600	2375	1100		
1550	2300	1025		
1500	2225	950		
1450	2150	875		
1400	2075	800		
1350	2000	725		
1300	1925	650		
1250	1850	575		
1200	1775	500		
1150	1700	425		
1100	1625	350		
1050	1550	275		
1000	1475	200		
950	1400	125		
900	1325	50		
850	1250	-25		
800	1175	-100		
750	1100	-175		
700	1025	-250		
650	950	-325		
600	875	-400		
550	800	-475		
500	725	-550		
450	650	-625		
400	575	-700		
350	500	-775		
300	425	-850		
250	350	-925		
200	275	-1000		
150	200	-1075		
100	125	-1150		
50	50	-1225		
0	0	-1300		

## Very briefly:

- Glaxo PLC is planning to launch two jumbo bonds of more than \$1 billion each to provide long-term financing for its \$15 billion takeover of Wellcome PLC, a rival British drugmaker.
- Rolls-Royce PLC said it planned to sell new shares to raise \$331 million (\$528 million) to pay for its acquisition of Allison Engine Co., a U.S. turbo-prop-engine maker.
- Britain's trade gap shrank in 1994 to the lowest level for nine years, with the current-account deficit at just £168 million, compared with £1.18 billion in 1993.
- Koninklijke PTT Nederland NV, said 1994 profit at the Dutch postal and telecommunications company, rose nearly 15 percent, to 2.04 billion guilders (\$1.29 billion) because of cost savings and economic recovery.
- Telecom Italia SpA complained to the stock market regulator, Consob, that a recent 3 percent drop in its stock was caused when the Antitrust Authority recommended that Telecom delay its planned April 1 start of a new cellular phone service.
- Moody's Investors Service Inc. said it might lower the long-term debt ratings of Alcatel Alsthom because the sale of state-owned European telecommunications companies threatens Alcatel's market share.
- Crédit du Nord, a bank subsidiary of Compagnie Financière de Paris, suffered its third straight loss-making year in 1994 with a loss of 487 million francs (\$97 million) because of higher provisions set aside on activities the bank is planning to discontinue.
- Metalgesellschaft AG shareholders have approved measures to change the company's capital structure.
- Villeroy & Boch AG, said cost-cutting helped the German ceramics maker return to a pretax profit in 1994 of 58.9 million Deutsche marks (\$42.1 million) after a loss of 22 million DM.
- Ceskoslovenske Aeroline AS, the Czech airline said it narrowed its loss in 1994 by about 1 billion koruna (\$38.0 million), to around 560 million koruna, after taking emergency loans.
- Electrolux AB said it would cancel the planned spinoff of its wholly owned aluminum unit Granges AB because it could not get the price it sought. (Reuters, Bloomberg, AFP)

## INTERNATIONAL FUTURES

High Low Close Open

Dec 94 Est. 1478 Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

High Low Close Open

Dec 94 Est. 1478 Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532

Thru. 1478 1,532



Nationwide prices, not reflecting late trade elsewhere  
The Associated Press

The following is a list of the names of the persons who have been appointed to the various offices of the County of New York, for the year 1888, by the Board of Supervisors, at their annual meeting, held on the 1st day of January, 1888.

Office	Name
County Clerk	John W. Smith
County Treasurer	James H. Jones
County Engineer	William B. Brown
County Assessor	Charles F. White
County Surveyor	Robert L. Green
County Jailor	Thomas M. Black
County Coroner	John D. Gray
County Sheriff	George W. Hall
County Marshal	Henry C. King
County Constable	David A. Lee
County Jail Physician	Dr. John E. Clark
County Jail Chaplain	Rev. John F. Adams
County Jail Cook	John G. Baker
County Jail Porter	John H. Carter
County Jail Watchman	John I. Davis
County Jail Janitor	John J. Evans
County Jail Carpenter	John K. Foster
County Jail Blacksmith	John L. Gibson
County Jail Barber	John M. Hall
County Jail Tailor	John N. King
County Jail Shoemaker	John O. Lee
County Jail Painter	John P. Smith
County Jail Carpenter	John Q. Taylor
County Jail Blacksmith	John R. White
County Jail Barber	John S. Black
County Jail Tailor	John T. Green
County Jail Shoemaker	John U. Brown
County Jail Painter	John V. White
County Jail Carpenter	John W. Black
County Jail Blacksmith	John X. Green
County Jail Barber	John Y. Brown
County Jail Tailor	John Z. White
County Jail Shoemaker	John A. Black
County Jail Painter	John B. Green
County Jail Carpenter	John C. Brown
County Jail Blacksmith	John D. White
County Jail Barber	John E. Black
County Jail Tailor	John F. Green
County Jail Shoemaker	John G. Brown
County Jail Painter	John H. White
County Jail Carpenter	John I. Black
County Jail Blacksmith	John J. Green
County Jail Barber	John K. Brown
County Jail Tailor	John L. White
County Jail Shoemaker	John M. Black
County Jail Painter	John N. Green
County Jail Carpenter	John O. Brown
County Jail Blacksmith	John P. White
County Jail Barber	John Q. Black
County Jail Tailor	John R. Green
County Jail Shoemaker	John S. Brown
County Jail Painter	John T. White
County Jail Carpenter	John U. Black
County Jail Blacksmith	John V. Green
County Jail Barber	John W. Brown
County Jail Tailor	John X. White
County Jail Shoemaker	John Y. Black
County Jail Painter	John Z. Green
County Jail Carpenter	John A. Brown
County Jail Blacksmith	John B. White
County Jail Barber	John C. Black
County Jail Tailor	John D. Green
County Jail Shoemaker	John E. Brown
County Jail Painter	John F. White
County Jail Carpenter	John G. Black
County Jail Blacksmith	John H. Green
County Jail Barber	John I. Brown
County Jail Tailor	John J. White
County Jail Shoemaker	John K. Black
County Jail Painter	John L. Green
County Jail Carpenter	John M. Brown
County Jail Blacksmith	John N. White
County Jail Barber	John O. Black
County Jail Tailor	John P. Green
County Jail Shoemaker	John Q. Brown
County Jail Painter	John R. White
County Jail Carpenter	John S. Black
County Jail Blacksmith	John T. Green
County Jail Barber	John U. Brown
County Jail Tailor	John V. White
County Jail Shoemaker	John W. Black
County Jail Painter	John X. Green
County Jail Carpenter	John Y. Brown
County Jail Blacksmith	John Z. White
County Jail Barber	John A. Black
County Jail Tailor	John B. Green
County Jail Shoemaker	John C. Brown
County Jail Painter	John D. White
County Jail Carpenter	John E. Black
County Jail Blacksmith	John F. Green
County Jail Barber	John G. Brown
County Jail Tailor	John H. White
County Jail Shoemaker	John I. Black
County Jail Painter	John J. Green
County Jail Carpenter	John K. Brown
County Jail Blacksmith	John L. White
County Jail Barber	John M. Black
County Jail Tailor	John N. Green
County Jail Shoemaker	John O. Brown
County Jail Painter	John P. White
County Jail Carpenter	John Q. Black
County Jail Blacksmith	John R. Green
County Jail Barber	John S. Brown
County Jail Tailor	John T. White
County Jail Shoemaker	John U. Black
County Jail Painter	John V. Green
County Jail Carpenter	John W. Brown
County Jail Blacksmith	John X. White
County Jail Barber	John Y. Black
County Jail Tailor	John Z. Green
County Jail Shoemaker	John A. Brown
County Jail Painter	John B. White
County Jail Carpenter	John C. Black
County Jail Blacksmith	John D. Green
County Jail Barber	John E. Brown
County Jail Tailor	John F. White
County Jail Shoemaker	John G. Black
County Jail Painter	John H. Green
County Jail Carpenter	John I. Brown
County Jail Blacksmith	John J. White
County Jail Barber	John K. Black
County Jail Tailor	John L. Green
County Jail Shoemaker	John M. Brown
County Jail Painter	John N. White
County Jail Carpenter	John O. Black
County Jail Blacksmith	John P. Green
County Jail Barber	John Q. Brown
County Jail Tailor	John R. White
County Jail Shoemaker	John S. Black
County Jail Painter	John T. Green
County Jail Carpenter	John U. Brown
County Jail Blacksmith	John V. White
County Jail Barber	John W. Black
County Jail Tailor	John X. Green
County Jail Shoemaker	John Y. Brown
County Jail Painter	John Z. White
County Jail Carpenter	John A. Black
County Jail Blacksmith	John B. Green
County Jail Barber	John C. Brown
County Jail Tailor	John D. White
County Jail Shoemaker	John E. Black
County Jail Painter	John F. Green
County Jail Carpenter	John G. Brown
County Jail Blacksmith	John H. White
County Jail Barber	John I. Black
County Jail Tailor	John J. Green
County Jail Shoemaker	John K. Brown
County Jail Painter	John L. White
County Jail Carpenter	John M. Black
County Jail Blacksmith	John N. Green
County Jail Barber	John O. Brown

**Continued on Page 18**

1. *Journal of the American Medical Association*, 1997; 278: 1039-1044.



ASIA/PACIFIC

# BAT Vetoes ITC's Power Plans at Raucous Meeting

**Compiled by Our Staff From Dispatches**  
**CALCUTTA** — BAT Industries PLC, intent on ousting the chairman of the Indian tobacco company ITC Ltd., blocked a resolution that would have allowed the company to enter the power business, an ITC spokesman said on Friday.

At an extraordinary general meeting, BAT used its 31.6 percent stake in ITC to vote against a resolution on raising funds for a power project. The resolution, which was put to a formal ballot, needed 75 percent support to pass.

## Sun Hung Kai Overcomes Weak Property Market

**Compiled by Our Staff From Dispatches**  
**HONG KONG** — Sun Hung Kai Properties Ltd. said Friday that its net profit rose 16 percent in the first half of its financial year as it sold most of nine new projects.

Sun Hung Kai said profit after taxes and minority interests rose to 4.90 billion Hong Kong dollars (\$633.8 million) in the six months that ended Dec. 31, compared with 4.24 billion Hong Kong dollars in the like period a year earlier.

"Prices have stabilized recently, with more buyers coming back to the market," Chairman Walter P.S. Kwok said. "I am cautiously optimistic about the residential property market in Hong Kong in the long run."

Since March 1994, residential property prices in Hong Kong have fallen by as much as a third. The directors recommended an interim dividend of 58 Hong Kong cents per share, compared with 53 cents in the previous year, the company said.

Sun Hung Kai completed three residential developments, one commercial project and five industrial projects. More than 80 percent of those projects have been sold. "Most properties for sale and scheduled for completion in the current financial year have been presold," Mr. Kwok said.

(Bloomberg, Knight-Ridder)

# A Shelter in Japan Bonds High Yen Gives Investors Little Choice

**Bloomberg Business News**  
**TOKYO** — Japanese investors are parking their cash close to home, dumping enough money into the country's government bond market to push the yield on the benchmark No. 174 10-year issue down to 3.82 percent on Friday.

The simple strategy has worked well so far. The total return on a portfolio of Japanese government bonds since the beginning of the year is 4.26 percent, just off the 4.54 percent return offered by the U.S. Treasury market. Total return measures the difference between the price a security was bought at and its current price plus interest and dividend payments.

Newcomers to the market cannot expect to do as well, but with few attractive alternatives, traders and analysts say, investors will continue to buy bonds.

"It's the process of elimination theory of investment allocation," Marshall Gittler, fixed-income strategist at Merrill Lynch & Co., said.

Investment alternatives have become scarce since the yen began its latest surge against the dollar three weeks ago.

With few attractive alternatives, investors will continue to buy bonds.

investing abroad. After seeing the return on their U.S. holdings eroded by the yen's 12.3 percent appreciation last year, investors are wary of being burned again.

But the yen's strength is good news for bonds because a rising yen lowers the threat of inflation. The stronger the yen, the cheaper goods from overseas are for Japanese consumers.

"There has been deflation in Japan in varying degrees for some time now," said Peter Morgan, portfolio manager at Banque Nationale de Paris. Deflation means that real yields, or bonds' nominal rate minus the inflation rate, are high.

The economic situation is also putting pressure on the Bank of Japan to reduce interest rates, which would also be good for bonds.

Finance Minister Masayoshi Takemura suggested Friday that lower rates were desirable, telling reporters that interest rates should be used to cope with currency market fluctuations.

While he stressed that decisions on interest-rate policy were the responsibility of the Bank of Japan, "it sounded like Takemura was asking the Bank of Japan to guide overnight rates lower," said Michael Wilkins, a futures broker at Credit Lyonnais.

Bond and money market participants are already pricing in an easing of rates by the central bank.

"The market is going to continue rising on rate cut expectations," said Kunihiko Ishibashi, general manager investment information department at Yamaichi Securities Co.

# Indonesia's Plane Firm Seeks Cash From State

**Reuters**  
**BANDUNG**, Indonesia — Even before its controversial N-250 turboprop aircraft has taken off, Indonesia's unprofitable state aircraft-maker wants at least \$600 million to build a jet airliner.

Hari Laksono, general manager at Industri Pesawat Terbang Negara, said the company would need about the same amount of money to build the N-130 jet as it had taken to develop the N-250.

"We are not sure how to fund it. But we need at least \$600 million for the N-130," he said Thursday at the sprawling company complex in Bandung, south of Jakarta.

The announcement is likely to dismay many Indonesian economists, who see Industri Pesawat Terbang Negara as an expensive burden for a nation where one-sixth of the 188 million citizens lives in poverty. The government has already spent \$1.6 billion on the manufacturer since its founding in 1976.

"We have received lots of money; we haven't got what we want," Mr. Laksono said. "We hope this hasn't disturbed other industries. It has taken too long to get the money."

Mr. Laksono also confirmed remarks last month by Chairman Jusuf Habibie that Industri Pesawat Terbang Negara was losing money, but he would not give details. "By 1998," he said, "we can, hopefully, show a black line and not a red line."

Company executives, who gave only vague details of the planned 100- to 130-seat airliner, said they might discuss development-cooperation possibilities with European manufacturers.

In February 1994, Mr. Habibie, who is also Indonesia's research and technology minister, was quoted by the official Antara news agency as saying the company had received orders for 257 N-250s, two short of the investment break-even point.

But Heru Santoso, the deputy commercial director, said Thursday the company had only received 188 orders for the N-250, which is expected to go into commercial production in 1997 and to be priced at \$13.5 million.

# Thailand Seeks to Slow Loans

**Compiled by Our Staff From Dispatches**

**BANGKOK** — The Bank of Thailand said Friday it was tightening supervision of commercial bank real estate loans, in particular for projects aimed at lower- and middle-income groups, to weed out risky property developments.

That banks have targeted high growth rates for retail mortgages, and the Bank of Thailand wants to make sure that banks monitor their clients' projects carefully, said Thirachai Phuvanatmanabale, director of its Financial Institutions Supervision and Development Department.

"There is a lot of valid demand," he said. "Young people are buying their first homes. We want to make sure the growth rate does not run away."

The bank, seeking to contain inflation, will also force commercial banks to stick to their lending targets, its governor, Vijit Supinit, said. The new system will oblige commercial banks that overshoot loan growth targets in one period to reduce lending by the surplus amount in the next.

Commercial banks reveal their growth targets in reports to the central bank every six months. The new system will take effect July 1, Mr. Vijit said in a letter to all commercial banks. "This is a reminder for banks to be more careful," he wrote. Especially in "extending credit to the retail sector" and for "new projects."

The mechanism is intended to slow direct investment and inflation, both of which have increased more than expected.

Loan growth by commercial banks last month was 29 percent, compared with the previous month, according to preliminary data from the central bank. In January, loan growth was 30 percent.

Banks have reported an overall credit growth rate of 10 percent for the first half of the current fiscal year, Mr. Thirachai said. The average growth rate for retail mortgages in that period was 18 percent, he said. The central bank's growth target for the banking industry this year is 24 percent.

## Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
10000	2400	20000
9000	2300	19000
8000	2200	18000
7000	2100	17000
6000	2000	16000
5000	1900	15000
4000	1800	14000
3000	1700	13000
2000	1600	12000
1000	1500	11000
0	1400	10000
1994	1994	1994
Exchange	Index	Friday Close
Hong Kong	Hang Seng	8,484.66
Singapore	Straits Times	2,056.55
Sydney	All Ordinaries	1,897.20
Tokyo	Nikkei 225	15,479.77
Kuala Lumpur	Composite	957.90
Bangkok	SET	1,195.13
Seoul	Composite Index	853.82
Taipei	Stock Market Index	6,433.44
Manila	PSE	2,262.94
Jakarta	Composite Index	422.13
Wellington	NZSE-40	1,837.30
Bombay	Sensitive Index	3,280.10
		Prev. Close
		% Change
		+0.20
		-1.06
		+0.33
		-2.11
		+0.09
		-0.99
		+0.67
		-0.13
		-0.54
		-0.97
		-0.01
		-0.42

Source: Reuters International Herald Tribune

## Very briefly:

- The Philippine government will turn over 20 hectares (49 acres) of Fort Bonifacio property, a former U.S. military base adjacent to Manila's business center, by September to a private-sector joint venture to start development.
- Japan Credit Rating Agency Ltd. said it had lowered the rating of Japan Air Lines Co., to A-plus from AA-minus, citing a difficult business climate amid heated competition and the yen's rise.
- NEC Corp. of Japan said it planned to invest 7.5 billion yen to build a semiconductor plant in Indonesia with a partner.
- Sega Enterprises Ltd. said it would raise its stake in the slot machine manufacturer Kyokuchi Corp. to 19.0 percent from 1.7 percent for 2.58 billion yen (\$29.1 million) and would sell its wholly owned film-making-and-distribution unit, Tokyo Movie Shinsha Co., to Kyokuchi for 6 billion yen.
- Thai Airways International Ltd. said it was developing a five-year plan that will expand the national carrier's fleet while reducing the variety of aircraft and engines it uses.
- Chrysler Corp. said it planned to open a parts-distribution center in Singapore to cover east Asia and Australia.
- Singapore Aerospace, Taiwan Aerospace Corp. and Great China Airlines have abandoned plans to jointly undertake third-party Asian aircraft maintenance work after a study found the venture was not feasible.
- Orient Overseas (International) Ltd. of Hong Kong said 1994 profit dropped 57 percent, to \$59.1 million, because of first-half losses of \$29.9 million in its investment portfolio.
- Jardine International Motor Holdings Ltd. said 1994 net profit rose 11 percent on the previous year, to \$81.5 million, because of strong performances in Hong Kong, Britain and France.
- Jardine Fleming Holdings Ltd., the Hong Kong-based investment firm, said its 1994 profit rose nearly 5 percent, to \$211 million.
- Vietnam is to take emergency measures to stockpile food and cut illegal exports of rice to tame inflation, which soared to an annual rate of 18.4 percent last month.

# U.S. Keeps the Trade Pressure on Japan

**Compiled by Our Staff From Dispatches**  
**WASHINGTON** — After 18 months of negotiations, the United States is insisting that Japan be more forthcoming in proposals to open its auto market, the world's second-largest, to foreign competition.

The United States is also asking Japan to expand lending and investment promotion designed to help foreign companies make their first steps into the Japanese market, said Alan P. Larson, a deputy assistant secretary of state for international finance and development.

But Japan is giving no signs of budging

from its long-held view that U.S. auto proposals represent government interference in the private marketplace.

The U.S. trade representative, Mickey Kantor, announced Thursday that the two sides would resume their auto negotiations on Monday in Tokyo.

Autos and auto parts account for 60 percent of America's deficit with Japan, which last year was a record \$65.7 billion. "This is a critical problem. It must be addressed," Mr. Kantor said. "It's more than just the trade deficit. It's fundamental fairness."

What the United States is seeking are

agreements in three areas: providing more dealerships where U.S. car companies can sell their vehicles in Japan; boosting purchases of American-made parts by Japanese automakers; and expanding sales of U.S. replacement parts.

Mr. Kantor said the United States would be pressing for agreements in all three areas as quickly as possible. While he did not mention any deadlines, America several weeks ago decided to advance one key deadline, involving replacement parts, from Sept. 30 to mid-spring to pressure the Japanese.

# THE IHT/CERAN EDUCATION WEEK COMPETITION. SIX CHANCES TO WIN

A unique week at CERAN, a highly prestigious language school with intensive individual training, awaits the winners of this competition. Full immersion, cultural activities and an excellent reputation make this one of the most desired language courses in the world, as many of the world's leading companies will testify.

## HERE'S HOW TO ENTER:

Over six days from March 20th to March 26th, one question per day will appear in the IHT. Simply respond correctly to any question by completing the coupon and forwarding it to the address below. Winners will be selected from an official drawing.

- 1 CEDAR PLANTATION, Metter, Georgia, U.S.A. English.
- 2 PSAMIC LANGUAGE CENTRE, Killiney, Ireland. English.
- 3 CHATEAU CERAN & CHATEAU DU HAUT-NEUVOIS, Spa, Belgium. French, English, Dutch, Spanish, German Italian and Japanese.



6. Mirador de la Sierra, Granada, Spain.

- 4 CERAN JUNIOR, Ferrières, Belgium. French, English.
- 5 DOMAINE SAINT-PANCRACE, Pont-Saint-Esprit, Gard, France. French.
- 6 MIRADOR DE LA SIERRA, Granada, Spain. Spanish.

## RULES & REGULATIONS:

- 1 This prize does not include transportation.
- 2 Prize valid until December 15, 1995.
- 3 Entries will not be accepted from staff and families of the IHT newspaper, CERAN, its agents and subsidiaries.
- 4 Valid only where legal. No purchase necessary.
- 5 Maximum prize for one week is a course to a value of U.S. \$1,700.
- 6 No correspondence will be entered into. Proof of postage will not be accepted as proof of receipt.
- 7 No cash alternative to prizes.
- 8 Winners will be drawn on April 14th and published thereafter in the newspaper.
- 9 On all matters, the editor's decision is final.
- 10 The editor reserves the right in his absolute discretion to disqualify any entry, competitor or nominee, or to waive any rules in the event of circumstances outside our control arising which, in his opinion, make it desirable to cancel the competition at any stage.

## YOUR RESPONSE:

**Blue 6:** In which language did Goethe write?

(Circle the correct answer): A. German B. French C. Latin

Name \_\_\_\_\_

Job Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Post Code \_\_\_\_\_ City \_\_\_\_\_

Country \_\_\_\_\_

Tel. \_\_\_\_\_ Fax \_\_\_\_\_

Circle the language center in which you would like to study:  
 1 2 3 4 5 6

Send coupon to:  
 EDUCATION WEEK COMPETITION,  
 International Herald Tribune, 181 Avenue Charles de Gaulle,  
 92521 Neuilly Cedex, France.

## PRINCIPAL CERAN OFFICES

Europe United States Asia  
 Tel: (32) 87.79.11.22 (1) 413.584.0334 (81) 3.3266.6518  
 Fax: (32) 87.79.11.88 (1) 413.584.3046 (81) 3.3266.6210

**INTERNATIONAL HERALD TRIBUNE**  
 THE WORLD'S DAILY NEWSPAPER



## In this Monday's CAREERS

The Job Market

Recruiting in Eastern Europe.

**Herald Tribune**  
 THE WORLD'S DAILY NEWSPAPER

## INTERNATIONAL CLASSIFIED MARKETPLACE

- Monday International Recruitment
- Tuesday Education Directory
- Wednesday Business Message Center
- Thursday International Conferences and Seminars
- Friday Real Estate Marketplace, Holidays and Travel
- Saturday Arts and Antiques

Plus over 300 headings in International Classified Monday through Saturday  
 For further information, contact Philip Orin in Paris:  
 Tel: (33-1) 41 43 93 36 - Fax: (33-1) 41 43 93 70.

**Herald Tribune**  
 THE WORLD'S DAILY NEWSPAPER

## CURRENCY AND CAPITAL MARKET SERVICES

**24HR**  
 0171-865 0800  
 Daily Fax Service  
 Competitive Rates  
 London Dealing Desk

**COMPLEMENTARY REPORT**  
 What are the most effective solutions to making money in today's currency and financial futures markets?  
 I have reviewed the performance of over 1000 advisors and trading systems, and prepared a detailed report on what I believe are the most profitable.  
 For your free copy, U.S. Fax: 714-492-5136 U.S. Voice: 714-492-5131  
 Overseas: 01-234-56789  
 Chicago Mercantile Exchange Center 30 S. Wacker Drive # 1012, Chicago, IL 60606, U.S.A.

**MANAGED ACCOUNTS**  
 We have a track record of 10 years in managing accounts for private and institutional investors. Our performance is consistently above the market. We are now accepting new clients.  
 For more information, contact us at:  
 1000 Lakeside Drive, Suite 100, San Francisco, CA 94109  
 Tel: (415) 774-1111 Fax: (415) 774-1112  
 E-mail: info@managedaccounts.com  
 Website: www.managedaccounts.com

**REUTERS 1000**  
 VITAL FINANCIAL INFORMATION DIRECT TO YOUR PC - 24 HOURS A DAY  
 Call: +44 71 916 8881 or +44 71 916 8852

**PHILIP ORIN & ASSOCIATES**  
 SECURITIES AND FUTURES LIMITED  
 125 Parkway, London EC2A 3PB  
 Tel: (44) 171 437 9700 Fax: (44) 171 437 9705

**For further details on how to place your listing contact:**  
**WILL NICHOLSON in London**  
 Tel: (44) 71 836 48 02  
 Fax: (44) 71 240 2254  
**Herald Tribune**



**Friday's 4 p.m.**  
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.  
*The Associated Press.*

[illegible][illegible][illegible]

12 MONTHS		52 WEEK		52 WEEK		52 WEEK		52 WEEK	
High	Low	Stock	Div	Yld	P/E	High	Low	High	Low
1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
2047	2048	2049	2050	2051	2052	2053	2054	2055	2056
2057	2058	2059	2060	2061	2062	2063	2064	2065	2066
2067	2068	2069	2070	2071	2072	2073	2074	2075	2076
2077	2078	2079	2080	2081	2082	2083	2084	2085	2086
2087	2088	2089	2090	2091	2092	2093	2094	2095	2096
2097	2098	2099	2100	2101	2102	2103	2104	2105	2106
2107	2108	2109	2110	2111	2112	2113	2114	2115	2116
2117	2118	2119	2120	2121	2122	2123	2124	2125	2126
2127	2128	2129	2130	2131	2132	2133	2134	2135	2136
2137	2138	2139	2140	2141	2142	2143	2144	2145	2146
2147	2148	2149	2150	2151	2152	2153	2154	2155	2156
2157	2158	2159	2160	2161	2162	2163	2164	2165	2166
2167	2168	2169	2170	2171	2172	2173	2174	2175	2176
2177	2178	2179	2180	2181	2182	2183	2184	2185	2186
2187	2188	2189	2190	2191	2192	2193	2194	2195	2196
2197	2198	2199	2200	2201	2202	2203	2204	2205	2206
2207	2208	2209	2210	2211	2212	2213	2214	2215	2216
2217	2218	2219	2220	2221	2222	2223	2224	2225	2226
2227	2228	2229	2230	2231	2232	2233	2234	2235	2236
2237	2238	2239	2240	2241	2242	2243	2244	2245	2246
2247	2248	2249	2250	2251	2252	2253	2254	2255	2256
2257	2258	2259	2260	2261	2262	2263	2264	2265	2266
2267	2268	2269	2270	2271	2272	2273	2274	2275	2276
2277	2278	2279	2280	2281	2282	2283	2284	2285	2286
2287	2288	2289	2290	2291	2292	2293	2294	2295	2296
2297	2298	2299	2300	2301	2302	2303	2304	2305	2306
2307	2308	2309	2310	2311	2312	2313	2314	2315	2316
2317	2318	2319	2320	2321	2322	2323	2324	2325	2326
2327	2328	2329	2330	2331	2332	2333	2334	2335	2336
2337	2338	2339	2340	2341	2342	2343	2344	2345	2346
2347	2348	2349	2350	2351	2352	2353	2354	2355	2356
2357	2358	2359	2360	2361	2362	2363	2364	2365	2366
2367	2368	2369	2370	2371	2372	2373	2374	2375	2376
2377	2378	2379	2380	2381	2382	2383	2384	2385	2386
2387	2388	2389	2390	2391	2392	2393	2394	2395	2396
2397	2398	2399	2400	2401	2402	2403	2404	2405	2406
2407	2408	2409	2410	2411	2412	2413	2414	2415	2416
2417	2418	2419	2420	2421	2422	2423	2424	2425	2426
2427	2428	2429	2430	2431	2432	2433	2434	2435	2436
2437	2438	2439	2440	2441	2442	2443	2444	2445	2446
2447	2448	2449	2450	2451	2452	2453	2454	2455	2456
2457	2458	2459	2460	2461	2462	2463	2464	2465	2466
2467	2468	2469	2470	2471	2472	2473	2474	2475	2476
2477	2478	2479	2480	2481	2482	2483	2484	2485	2486
2487	2488	2489	2490	2491	2492	2493	2494	2495	2496
2497	2498	2499	2500	2501	2502	2503	2504	2505	2506
2507	2508	2509	2510	2511	2512	2513	2514	2515	2516
2517	2518	2519	2520	2521	2522	2523	2524	2525	2526
2527	2528	2529	2530	2531	2532	2533	2534	2535	2536
2537	2538	2539	2540	2541	2542	2543	2544	2545	2546
2547	2548	2549	2550	2551	2552	2553	2554	2555	2556
2557	2558	2559	2560	2561	2562	2563	2564	2565	2566
2567	2568	2569	2570	2571	2572	2573	2574	2575	2576
2577	2578	2579	2580	2581	2582	2583	2584	2585	2586
2587	2588	2589	2590	2591	2592	2593	2594	2595	2596
2597	2598	2599	2600	2601	2602	2603	2604	2605	2606
2607	2608	2609	2610	2611	2612	2613	2614	2615	2616
2617	2618	2619	2620	2621	2622	2623	2624	2625	2626
2627	2628	2629	2630	2631	2632	2633	2634	2635	2636
2637	2638	2639	2640	2641	2642	2643	2644	2645	2646
2647	2648	2649	2650	2651	2652	2653	2654	2655	2656
2657	2658	2659	2660	2661	2662	2663	2664	2665	2666
2667	2668	2669	2670	2671	2672	2673	2674	2675	2676
2677	2678	2679	2680	2681	2682	2683	2684	2685	2686
2687	2688	2689	2690	2691	2692	2693	2694	2695	2696
2697	2698	2699	2700	2701	2702	2703	2704	2705	2706
2707	2708	2709	2710	2711	2712	2713	2714	2715	2716
2717	2718	2719	2720	2721	2722	2723	2724	2725	2726
2727	2728	2729	2730	2731	2732	2733	2734	2735	2736
2737	2738	2739	2740	2741	2742	2743	2744	2745	2746
2747	2748	2749	2750	2751	2752	2753	2754	2755	2756
2757	2758	2759	2760	2761	2762	2763	2764	2765	2766
2767	2768	2769	2770	2771	2772	2773	2774	2775	2776
2777	2778	2779	2780	2781	2782	2783	2784	2785	2786
2787	2788	2789	2790	2791	2792	2793	2794	2795	2796
2797	2798	2799	2800	2801	2802	2803	2804	2805	2806
2807	2808	2809	2810	2811	2812	2813	2814	2815	2816
2817	2818	2819	2820	2821	2822	2823	2824	2825	2826
2827	2828	2829	2830	2831	2832	2833	2834	2835	2836
2837	2838	2839	2840	2841	2842	2843	2844	2845	2846
2847	2848	2849	2850	2851	2852	2853	2854	2855	2856
2857	2858	2859	2860	2861	2862	2863	2864	2865	2866
2867	2868	2869	2870	2871	2872	2873	2874	2875	2876
2877	2878	2879	2880	2881	2882	2883	2884	2885	2886
2887	2888	2889	2890	2891	2892	2893	2894	2895	2896
2897	2898	2899	2900	2901	2902	2903	2904	2905	2906
2907	2908	2909	2910	2911	2912	2913	2914	2915	2916
2917	2918	2919	2920	2921	2922	2923	2924	2925	2926
2927	2928	2929	2930	2931	2932	2933	2934	2935	2936
2937	2938	2939	2940	2941	2942	2943	2944	2945	2946
2947	2948	2949	2950	2951	2952	2953	2954	2955	2956
2957	2958	2959	2960	2961	2962	2963	2964	2965	2966
2967	2968	2969	2970	2971	2972	2973	2974	2975	2976
2977	2978	2979	2980	2981	2982	2983	2984	2985	2986
2987	2988	2989	2990	2991	2992	2993	2994	2995	2996
2997	2998	2999	3000	3001	3002	3003	3004	3005	3006
3007	3008	3009	3010	3011	3012	3013	3014	3015	3016
3017	3018	3019	3020	3021	3022	3023	3024	3025	3026
3027	3028	3029	3030	3031	3032	3033	3034	3035	3036
3037	3038	3039	3040	3041	3042	3043	3044	3045	3046
3047	3048	3049	3050	3051	3052	3053	3054	3055	3056
3057	3058	3059	3060	3061	3062	3063	3064	3065	3066
3067	3068	3069	3070	3071	3072	3073	3074	3075	3076
3077	3078	3079	3080	3081	3082	3083	3084	3085	3086
3087	3088	3089	3090	3091	3092	3093	3094	3095	3096
3097	3098	3099	3100	3101	3102	3103	3104	3105	3106
3107	3108	3109	3110	3111	3112	3113	3114	3115	3116
3117	3118	3119	3120	3121	3122	3123	3124	3125	3126
3127	3128	3129	3130	3131	3132	3133	3134	3135	3136
3137	3138	3139	3140	3141	3142	3143	3144	3145	3146
3147	3148	3149	3150	3151	3152	3153	3154	3155	3156
3157	3158	3159	3160	3161	3162	3163	3164	3165	3166
3167	3168	3169	3170	3171	3172	3173	3174	3175	3176
3177	3178	3179	3180	3181	3182	3183	3184	3185	3186
3187	3188	3189	3190	3191	3192	3193	3194	3195	3196
3197	3198	3199	3200	3201	3202	3203	3204	3205	3206
3207	3208	3209	3210	3211	3212	3213	3214	3215	3216
3217	3218	3219	3220	3221	3222	3223	3224	3225	3226
3227	3228	3229	3230	3231	3232	3233	3234	3235	3236
3237	3238	3239	3240	3241	3242	3243	3244	3245	3246
3247	3248	3249	3250						

12 Month	High	Low	Stock	City	Yld	PE	Ratio	High	Low	Later	Over
1974	100	100	100	100	100	100	100	100	100	100	100
1975	100	100	100	100	100	100	100	100	100	100	100
1976	100	100	100	100	100	100	100	100	100	100	100
1977	100	100	100	100	100	100	100	100	100	100	100
1978	100	100	100	100	100	100	100	100	100	100	100
1979	100	100	100	100	100	100	100	100	100	100	100
1980	100	100	100	100	100	100	100	100	100	100	100
1981	100	100	100	100	100	100	100	100	100	100	100
1982	100	100	100	100	100	100	100	100	100	100	100
1983	100	100	100	100	100	100	100	100	100	100	100
1984	100	100	100	100	100	100	100	100	100	100	100
1985	100	100	100	100	100	100	100	100	100	100	100
1986	100	100	100	100	100	100	100	100	100	100	100
1987	100	100	100	100	100	100	100	100	100	100	100
1988	100	100	100	100	100	100	100	100	100	100	100
1989	100	100	100	100	100	100	100	100	100	100	100
1990	100	100	100	100	100	100	100	100	100	100	100
1991	100	100	100	100	100	100	100	100	100	100	100
1992	100	100	100	100	100	100	100	100	100	100	100
1993	100	100	100	100	100	100	100	100	100	100	100
1994	100	100	100	100	100	100	100	100	100	100	100
1995	100	100	100	100	100	100	100	100	100	100	100
1996	100	100	100	100	100	100	100	100	100	100	100
1997	100	100	100	100	100	100	100	100	100	100	100
1998	100	100	100	100	100	100	100	100	100	100	100
1999	100	100	100	100	100	100	100	100	100	100	100
2000	100	100	100	100	100	100	100	100	100	100	100
2001	100	100	100	100	100	100	100	100	100	100	100
2002	100	100	100	100	100	100	100	100	100	100	100
2003	100	100	100	100	100	100	100	100	100	100	100
2004	100	100	100	100	100	100	100	100	100	100	100
2005	100	100	100	100	100	100	100	100	100	100	100
2006	100	100	100	100	100	100	100	100	100	100	100
2007	100	100	100	100	100	100	100	100	100	100	100
2008	100	100	100								

[illegible]

**Friday's 4 p.m. Close**  
(Continued)

13 Month		Div	Yld	P/E	Ratio	High	Low	Latest Close
High Low Stock								
1994	174	MO	1.00	6.5	11	199	174	174
1994	176	MO	1.00	6.5	11	199	176	176
1994	178	MO	1.00	6.5	11	199	178	178
1994	180	MO	1.00	6.5	11	199	180	180
1994	182	MO	1.00	6.5	11	199	182	182
1994	184	MO	1.00	6.5	11	199	184	184
1994	186	MO	1.00	6.5	11	199	186	186
1994	188	MO	1.00	6.5	11	199	188	188
1994	190	MO	1.00	6.5	11	199	190	190
1994	192	MO	1.00	6.5	11	199	192	192
1994	194	MO	1.00	6.5	11	199	194	194
1994	196	MO	1.00	6.5	11	199	196	196
1994	198	MO	1.00	6.5	11	199	198	198
1994	200	MO	1.00	6.5	11	199	200	200
1994	202	MO	1.00	6.5	11	199	202	202
1994	204	MO	1.00	6.5	11	199	204	204
1994	206	MO	1.00	6.5	11	199	206	206
1994	208	MO	1.00	6.5	11	199	208	208
1994	210	MO	1.00	6.5	11	199	210	210
1994	212	MO	1.00	6.5	11	199	212	212
1994	214	MO	1.00	6.5	11	199	214	214
1994	216	MO	1.00	6.5	11	199	216	216
1994	218	MO	1.00	6.5	11	199	218	218
1994	220	MO	1.00	6.5	11	199	220	220
1994	222	MO	1.00	6.5	11	199	222	222
1994	224	MO	1.00	6.5	11	199	224	224
1994	226	MO	1.00	6.5	11	199	226	226
1994	228	MO	1.00	6.5	11	199	228	228
1994	230	MO	1.00	6.5	11	199	230	230
1994	232	MO	1.00	6.5	11	199	232	232
1994	234	MO	1.00	6.5	11	199	234	234
1994	236	MO	1.00	6.5	11	199	236	236
1994	238	MO	1.00	6.5	11	199	238	238
1994	240	MO	1.00	6.5	11	199	240	240
1994	242	MO	1.00	6.5	11	199	242	242
1994	244	MO	1.00	6.5	11	199	244	244
1994	246	MO	1.00	6.5	11	199	246	246
1994	248	MO	1.00	6.5	11	199	248	248
1994	250	MO	1.00	6.5	11	199	250	250
1994	252	MO	1.00	6.5	11	199	252	252
1994	254	MO	1.00	6.5	11	199	254	254
1994	256	MO	1.00	6.5	11	199	256	256
1994	258	MO	1.00	6.5	11	199	258	258
1994	260	MO	1.00	6.5	11	199	260	260
1994	262	MO	1.00	6.5	11	199	262	262
1994	264	MO	1.00	6.5	11	199	264	264
1994	266	MO	1.00	6.5	11	199	266	266
1994	268	MO	1.00	6.5	11	199	268	268
1994	270	MO	1.00	6.5	11	199	270	270
1994	272	MO	1.00	6.5	11	199	272	272
1994	274	MO	1.00	6.5	11	199	274	274

13 Month		Div	Yld	P/E	Ratio	High	Low	Latest Close
High Low Stock								
1994	174	MO	1.00	6.5	11	199	174	174
1994	176	MO	1.00	6.5	11	199	176	176
1994	178	MO	1.00	6.5	11	199	178	178
1994	180	MO	1.00	6.5	11	199	180	180
1994	182	MO	1.00	6.5	11	199	182	182
1994	184	MO	1.00	6.5	11	199	184	184
1994	186	MO	1.00	6.5	11	199	186	186
1994	188	MO	1.00	6.5	11	199	188	188
1994	190	MO	1.00	6.5	11	199	190	190
1994	192	MO	1.00	6.5	11	199	192	192
1994	194	MO	1.00	6.5	11	199	194	194
1994	196	MO	1.00	6.5	11	199	196	196
1994	198	MO	1.00	6.5	11	199	198	198
1994	200	MO	1.00	6.5	11	199	200	200
1994	202	MO	1.00	6.5	11	199	202	202
1994	204	MO	1.00	6.5	11	199	204	204
1994	206	MO	1.00	6.5	11	199	206	206
1994	208	MO	1.00	6.5	11	199	208	208
1994	210	MO	1.00	6.5	11	199	210	210
1994	212	MO	1.00	6.5	11	199	212	212
1994	214	MO	1.00	6.5	11	199	214	214
1994	216	MO	1.00	6.5	11	199	216	216
1994	218	MO	1.00	6.5	11	199	218	218
1994	220	MO	1.00	6.5	11	199	220	220
1994	222	MO	1.00	6.5	11	199	222	222
1994	224	MO	1.00	6.5	11	199	224	224
1994	226	MO	1.00	6.5	11	199	226	226
1994	228	MO	1.00	6.5	11	199	228	228
1994	230	MO	1.00	6.5	11	199	230	230
1994	232	MO	1.00	6.5	11	199	232	232
1994	234	MO	1.00	6.5	11	199	234	234
1994	236	MO	1.00	6.5	11	199	236	236
1994	238	MO	1.00	6.5	11	199	238	238
1994	240	MO	1.00	6.5	11	199	240	240
1994	242	MO	1.00	6.5	11	199	242	242
1994	244	MO	1.00	6.5	11	199	244	244
1994	246	MO	1.00	6.5	11	199	246	246
1994	248	MO	1.00	6.5	11	199	248	248
1994	250	MO	1.00	6.5	11	199	250	250
1994	252	MO	1.00	6.5	11	199	252	252
1994	254	MO	1.00	6.5	11	199	254	254
1994	256	MO	1.00	6.5	11	199	256	256
1994	258	MO	1.00	6.5	11	199	258	258
1994	260	MO	1.00	6.5	11	199	260	260
1994	262	MO	1.00	6.5	11	199	262	262
1994	264	MO	1.00	6.5	11	199	264	264
1994	266	MO	1.00	6.5	11	199	266	266
1994	268	MO	1.00	6.5	11	199	268	268
1994	270	MO	1.00	6.5	11	199	270	270
1994	272	MO	1.00	6.5	11	199	272	272
1994	274	MO	1.00	6.5	11	199	274	274

[illegible][illegible][illegible][illegible][illegible]

**THE COLUMN**  
**ER Doubt**  
**erge on**  
**alization**



150

The Public

# Herald Tribune

THE  
REPORT

SATURDAY-SUNDAY, MARCH 25-26, 1995  
PAGE 19

## FIRST COLUMN

### Some Doubts Emerge on Privatization

There is a revolution in the world of privatizations, and it has started from within. It has nothing to do with the all-too-familiar con- cerns currently being expressed about the ability of the markets to deal with the supposed glut of stocks to be offered.

The problem is that the British, the high priests of privatization who have managed to sell the idea to a previously statist world, have doubts about the validity of the whole concept. The preacher of privatization is having dangerous thoughts of drinking whisky and dancing with the devil.

The major question marks hang over timeless issues. Are companies really bet- ter run in the private sector, should such virtual monopolies as utility companies really be privately run, and isn't the whole business of privatization an excuse for in- dividuals to indulge their greed?

That the first question should be asked at all in Britain is surprising. The answer is a positive but qualified "yes." While strong arguments can be made against the pri- vatization of health care, for example, most privatized British companies are better off for the experience. The steel, telecom and airline companies offer good examples.

The second and third questions, though separate, became intertwined with the re- cent sale of a chunk of the British power industry. There was some concern over the sale of a quasi-monopoly, and a comment from an industry watchdog on pricing pol- icy saw billions of dollars wiped off the newly floated shares.

But isn't it interesting that the doubts over the efficacy and principles of pri- vatization—and the alleged greed of high- ly paid managers—only surfaced when investors found themselves looking at a loss? The fact is that governments world- wide have consistently tried to keep voters sweet with politically motivated (i.e., ar- tificially low) pricing policies. When there has been profit to be made, privatization has seemed a good idea.

M.B.

## OECD Warns Privatizations Might Push Stock Markets Lower

By Digby Lamer

The Organization for Economic Co- operation and Development has warned that the number of pri- vatizations planned over the next five years could have a damaging effect on the value of some stock markets.

In a report published this month, the OECD estimates the value of privatizations coming to the market during 1995 could exceed \$40 billion in Europe alone. This figure, it said, risks outstripping demand and could push share prices down.

Countries planning major privatizations this year include France (\$9.9 billion), Britain (\$8.5 billion) and Italy (\$6.5 bil- lion). A further six European countries— Austria, Germany, the Netherlands, Por- tugal, Spain and Sweden—also hope to privatize a number of large state-owned businesses by year's end.

On top of this, said the OECD, the value of privatizations is likely to grow further in coming years, boosting the total of new capital hitting stock markets by \$200 bil- lion over the next five years.

"These privatization programs are so large that their implementation will have a powerful impact on the financial systems of OECD countries," the report said. It added that in Italy, where the value of privatizations will be highest in compar- ison to the size of its securities market, share capital could increase 30 percent.

Although the report concludes it is "rea- sonable" to expect that most stock markets will be able to absorb all the forthcoming privatization issues, it outlines two pos- sible problem areas.

First, it points to a growing reluctance among private investors to subscribe to new issues.

"Some recent privatizations have re- vealed signs of fatigue among retail in- vestors," the report said. "It is possible that future privatizations will have to either reduce the tranches specifically directed to retail investors or to enhance the offering to these investors."

Second, there is the risk that pri- vatization issues will come to the prices are falling. "Equity prices will have to remain generally strong in order to support in- vestors' appetite for new issues," it said. "Any major downturn in equity markets that leads to shifts in portfolio allocations away from equity could undermine current privatization plans."

But many analysts do not share the OECD's concerns. A spokesman for the

### Privatization

Page 21  
Assessing eastern promises  
Specialist funds  
French offerings

Page 23  
Russia comes to market  
Germany - calling ahead

London-based fund manager, Schroder, believes the OECD has overemphasized the role of retail investors in the pri- vatization process.

"The involvement of retail investors in privatizations has tended to be more im- portant from a political viewpoint than it has for the market," he said. "In most cases, institutional investors have provided the driving force."

There have been exceptions, he said. In Britain, the proportion of investor involve- ment in early privatizations was high. And while he believes the OECD is right in claiming that the successful absorption of privatization issues depends on demand at the time the shares are sold, he said this is self-evident.

"Clearly the success or failure of future share issues and the value of stocks de- pends on more than how many privati- zations there are in the pipeline. The range of economic variables is much more im- portant. If demand for shares is falling then, of course, equity markets will have trouble taking up new issues."

Despite its concerns for the future the OECD concludes that the record \$50 bil- lion of privatizations last year was not responsible for dampening market per- formance.

"The decline in share prices in 1994," it said, "has been broadly based, including European countries with no or few pri- vatizations. Overall, the decline in equity prices should be primarily seen as a con- sequence of increasing long-term interest rates and the general deterioration in risk- et sentiment that occurred during 1994."

It goes on to say that large-scale pri- vatizations had no impact on the share values of other corporations traded in the same stock markets. It concludes: "In the light of the rather poor performance of major stock markets in 1994, the com- pletion of many large privatizations was all the more remarkable."

Kenneth King, an equity analyst with the fund manager Kleinwort Benson, believes

### More Than Investors Can Chew?

European privatizations, in billions of dollars

1993	1994	1995 total: \$40.5 billion (estimate)
8.1	10.7	France
8.0	8.5	U.K.
2.3	9.0	Italy
0.5	1.1	Germany
3.0	3.2	Spain
0.8	3.4	Sweden
0.9	1.5	Austria
0.5	1.1	Portugal
0.8	3.9	Netherlands
1.1	1.5	Belgium
0.2	5.7	Denmark
0.2	0.9	Finland
0.2	0.2	Norway

Source: OECD

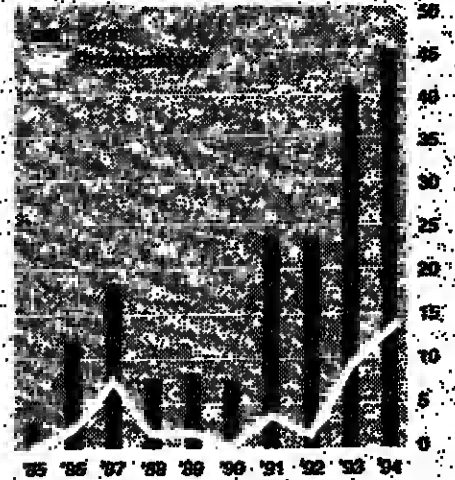
further privatization is inevitable and that stock markets will happily soak it up.

"Panicking about the amount of new equity coming to the market and the amount of damage it can cause is an age- old story," he said. "The pressure to pri- vatize is bound to continue; you've only got to look at the performance of nation- alized companies like Air France and Créd- it Lyonnais to realize that. But in any case,

I don't think privatization will pull markets down. It's bound to draw money from bond markets."

Another analyst, speaking on condition of anonymity, said the report ignores the likely macroeconomic benefits of pri- vatization. "One of the things to look at is where this money goes after it's been raised. Presumably it's used by govern- ments to reduce taxation or improve their

Internationally offered equity issues, in billions of dollars



The Money Report is edited by  
Martin Baker

## Shadow Over Developed Economies

By Martin Baker

As vintages go, the 1995 global privatization harvest has produced little to celebrate. Analysts had been expressing their concerns vocally enough through 1994. Then came the Mexican currency crisis, and their worries intensified. There are two major areas of doubt.

First, some argue that reports such as that released by the Organization for Economic Cooperation and Development this week demonstrate that there is a lack of capital to swallow the glut of com- panies destined for the private sector.

Others call the case at best unproved: Managers of specialist privatization mu- tual funds report plenty of cash, and argue that they will only spend it on attractive issues. Although the funds themselves do not have substantial sums to influence the markets, the logic of their position is that there is plenty of capital available for privatization if the price is right.

The second apparent problem is a func- tion of the flight of capital from such fertile privatization areas as Latin Amer- ica. The argument runs that in current market conditions it will be almost im- possible to persuade investors to buy new issues. Thus, privatizations will have to wait until confidence returns. The com-

plications surrounding Mexico's bailout haven't helped.

But Christopher Poll, chairman of Mi- cropol, the economic and mutual fund monitoring firm, argues that "the real problem lies not with the privatizations in emerging economies, but in the devel- oped world."

"Developed economies," he said, "have been using privatizations to get 'artificial' cash and mask their financial difficulties as their populations grow older. When they run out of privatizations they will be in trouble."

In emerging economies, it's just a question of cash flow, not of going bankrupt.

## OLD TRADITIONS NEW STRENGTH

### BARINGS

Barings' expertise is now backed by the considerable resources of ING Group, itself a leading international financial institution.

This increased strength and resource not only ensures we will maintain our position as a leading manager of Unit Trusts and Mutual Funds but gives us the resources to ensure future growth. Growth that will be of benefit to our clients.



BARINGS  
Asset Management

Baring Global Fund Managers Limited  
155 Bishopsgate, London EC2M 3XY. Tel: 0171-628 6000 Fax: 0171-638 7928

Appointed representative of Baring International Investment Management Limited (regulated by IMRO) which has approved this advertisement.  
Member of ING GROUP



## THE SWISS FUND PERFORMANCE FOCUS

**Herald Tribune**  
INTERNATIONAL  
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST  
THE WORLD'S DAILY NEWSPAPER

The Fund Performance Focus has been created in order to give our readers investment information on internationally marketed mutual funds with consistently strong performance figures.

If you are interested in knowing more about any of the mutual fund groups advertising in this section, simply circle the appropriate number on the coupon (at the bottom of the page) and return it to us by letter or fax and information

will be mailed to you by the companies involved. The I.H.T. would like to remind its readers that past performance is no guarantee of future results and that the value of an investment and the income from it can go down as well as up.

**BANQUE SCANDINAVE EN SUISSE**  
**PLÉIADE SICAV**  
LUXEMBOURG  
**PLÉIADE EUROPEAN EQUITIES**

Net Asset Value, gross income re-invested - 03.01.93 to 11.30.94, in ECU

PLÉIADE EUROPEAN EQUITIES is one of the twelve PLÉIADE SICAV subfunds. This Luxembourg listed fund (UCITS Cat. I) has achieved an annualized return of 16.15% since inception on March 3rd, 1993. This fund, denominated in ECU, invests in European equities, with a long-term capital growth objective. This performance is the result of market weighting which does not necessarily reflect the index but emphasises stock selection and value investing.

For further information on PLÉIADE EUROPEAN EQUITIES or other PLÉIADE subfunds, contact:

**PLÉIADE SICAV SERVICES**  
C.P. 3733  
CH-1211 Geneva 3, Switzerland  
Telephone: +41 (22) 839 02 07 - Fax: +41 (22) 346 15 30

**JB-B**  
**BANK JULIUS BAER**  
**German Stock Fund**

Summary per 31.12.94

Launch Date	% US\$ Change	% DM Change	DM Value mld	Fund Adviser	Denomination
15 December 1993	+15.6%	+4.4%	43	Bank Julius Bär (Deutschland) AG	Luxembourg

- Within its umbrella fund, "Julius Baer Multistock SICAV", the Zurich-based Julius Baer Group offers a range of 9 Luxembourg equity funds (Euro Stock, Swiss Stock, US Stock, Pacific Stock, Japan Stock, etc.).
- Investors profit from the investment philosophy of the Julius Baer Group which has a long tradition of sound asset management.
- The Julius Baer Group manages over US-\$ 30 billion in assets.

For further information please fax to:  
Bank Julius Baer, Zurich (1) 201 51 20.

**JB-B**  
**BANK JULIUS BAER**  
**Europe Bond Fund**

Summary per 31.12.94

Launch Date	% US\$ Change	% ECU Change	ECU Value mld	Fund Adviser	Denomination
1 July 1990	+43.5%	+44.6%	480	Julius Baer Asset Management Zurich	Luxembourg

- Within its umbrella fund, "Julius Baer Multistock SICAV", the Zurich-based Julius Baer Group offers a range of 7 Luxembourg bond funds (Global Bond, Dollar Bond, Swiss Bond, DM Bond, etc.).
- Several bond funds have received Microcap Awards for outstanding performance (Europe Bond Fund in 1993, Swiss Bond Fund and Ausro Bond Fund in 1994).
- The Julius Baer Group manages over US-\$ 30 billion in assets.

For further information please fax to:  
Bank Julius Baer, Zurich (1) 201 51 20.

**BSS Universal Global Equities**

Annual compounded performance - BSS 18.5% World 4.5%

BSS investment philosophy is focusing on global asset allocation, based on a rigorous but opportunistic top down approach. The starting point is to identify broad macroeconomic trends with a worldwide view and to analyze their likely development with a nine to eighteen months time horizon. The next step is to measure the extent to which markets have discounted what we consider to be the most likely scenario. Equity markets are compared with each other as well as with other investment alternatives in broad geographical areas in order to identify the best values. We like to take clear bets and therefore can be significantly over or under-weighted in any region, country or investment theme.

This disciplined approach, combined with an independent, inquisitive and open mind, have given excellent results for over ten years.

For further information, please contact Beat Gubel:  
Tel: (+41 22) 787 24 26, Fax: (+41 22) 787 24 41

**BANQUE SCANDINAVE EN SUISSE**

**Credis=Equity Funds**  
Introducing a star performer

For more information, please ask at any office of Credit Suisse. Or write to us direct:

**Credis Fund Service AG**  
CH-8070 Zurich

It will come as no surprise that CS Tiger Fund is one of the world's largest funds for Southeast Asian shares.

We at Credis Investment Funds believe that expertly-managed funds investing in Southeast Asia will continue to yield high long-term returns. So CS Tiger Fund remains an important part of any carefully-planned global portfolio.

Of course the real key to investment success is diversification. This is why we offer you more than 130 Credis Investment Funds to choose from. So whatever your investment profile, you're sure to find the combination best suited to your needs.

**Credis=Funds at work. By Credit Suisse.**

**Credis=Money Market Funds**  
And here's another

**Credis=Money Market Fund ECU**

Performance over 1 year: 5.78%  
(sector average, 10 funds: 5.00%)

Performance over 3 years: 25.66%  
(sector average, 9 funds: 24.91%)

All figures in ECU

For more information, please ask at any office of Credit Suisse. Or write to us direct:

**Credis Fund Service AG**  
CH-8070 Zurich

The figures speak for themselves, telling you why Microcap has just named Credis Money Market Fund ECU best in its group over one and three years.

The subfund is just one of twelve under the Credis Money Market Fund umbrella, which covers all the world's most important currencies. With switches between subfunds free of charge, investing your cash securely and profitably in the currency of your choice has never been easier.

And since you can cash in your units at any time, you have instant access to your money if another attractive opportunity presents itself. With more than 130 Credis Investment Funds on offer, you'll almost be spoilt for choice.

**Credis=Funds at work. By Credit Suisse.**

**SWISS SMALLER CAPS CAN PACK GREAT VALUE**

Good Value from Switzerland

Fund's Objectives and Performance:

- To seek to outperform the Swiss Small Cap Index.
- To reduce the risk of the Swiss Small Cap Index by investing in a diversified portfolio of Swiss small cap companies.

The new fund of the Swiss Small Cap Index is a fund of the Swiss Small Cap Index. It is a fund of the Swiss Small Cap Index. It is a fund of the Swiss Small Cap Index.

Contact:

**Lombard Odier Fund Managers**

**ENTER THE WORLD OF SWISS QUALITY**

Fund's Objectives and Performance:

- To seek to outperform the Swiss Quality Index.
- To reduce the risk of the Swiss Quality Index by investing in a diversified portfolio of Swiss quality companies.

The new fund of the Swiss Quality Index is a fund of the Swiss Quality Index. It is a fund of the Swiss Quality Index. It is a fund of the Swiss Quality Index.

Contact:

**Lombard Odier Fund Managers**

**'SBC 100' Index-Fund Switzerland**

Through "passive" management, the 'SBC 100' Index-Fund Switzerland replicates the structure of the 'SBC 100' Index which contains the 100 highest-capitalized stocks on the Swiss stock market.

The 'SBC 100' Index-Fund Switzerland is the only index fund in Switzerland and features in the top ratings compared to other funds investing in the Swiss market both over the short and long term.

Swiss Bank Corporation is one of the leading fund suppliers in Europe and with a total of more than CHF 50 billion in assets under management, it is number one in the Swiss investment fund business. Approximately CHF 425 million is currently invested in the 'SBC 100' Index-Fund Switzerland.

For additional information, please contact Daniel Luedin at 41 61 288 33 30.

**Swiss Bank Corporation**

**GoldPortfolio**

GoldPortfolio invests primarily in shares of companies involved in extracting, processing and/or marketing gold. Compared with other, similarly investing funds, GoldPortfolio features in the top ratings. In 1993 the fund received the Microcap Award as the best fund in its category for one year and for three years.

Swiss Bank Corporation is one of the leading fund suppliers in Europe and with a total of more than CHF 50 billion in assets under management, it is number one in the Swiss investment fund business. About CHF 132 million is currently invested in GoldPortfolio.

For additional information, please contact Daniel Luedin at 41 61 288 33 30.

**Swiss Bank Corporation**

**UBZ Diversified Strategies Fund**

The key to success is risk control. That's why UBZ Diversified Strategies Fund offers a "Multi-Manager" investment program with very clear investment objectives. The Fund's goal is to preserve the invested capital and to produce high returns that are non-correlated to major equity and bond markets.

The Fund's aim is to reduce volatility through diversification with professional risk-control management. Our "Multi-Manager" concept gives you the opportunity for profits in all markets. Rather than following an index up and down, the Fund is designed to consistently rise in value by adapting to market conditions.

The current managers hired by the Fund have since 1988 a combined historical performance of 21.7% p.a. and an exceptionally low standard deviation of 4.88% p.a.

UBZ Diversified Strategies Fund offers you three clear-cut advantages:

- Potential high returns
- Low correlation with traditional investments
- Opportunity for profits in both bear and bull markets

Performance Comparison (Indexed Jan. 88 = 100)

UBZ Diversified Strategies Fund is pleased to provide you with detailed information on this Fund. Please call our Zurich office at (+41-1) 257 54 72 or fax (+41-1) 252 06 60.

**UeberseeBank**

Mail this coupon or send fax to:

Patrick Falconer/Fund Performance Focus  
International Herald Tribune, 63 Long Acre,  
London WC2E 9JH  
United Kingdom. Fax: (+44-1-71) 240 3417.

Please send me information on the funds circled at no cost or obligation.

1 2 3 4 5 6  
7 8 9 10 11

Name \_\_\_\_\_

Title (i.e. Mr, Mrs or Ms) \_\_\_\_\_

Initials \_\_\_\_\_

Nationality \_\_\_\_\_

Company \_\_\_\_\_

Position \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ Code \_\_\_\_\_

Country \_\_\_\_\_

Fax or Tel \_\_\_\_\_

IHT 2503



## THE MONEY REPORT

## Amid Current Deluge of Privatizations, Remember the Golden Rule: Beware!

By Rodney Burton  
and Diane Juzaitis

More and more government-owned enterprises are passing into private hands, as the world moves increasingly toward a competitive, free-market economy. Eastern Europe has been the center of attention in recent years because of the pervasive abandonment of the planned economy system. Great Britain initiated major privatizations in the 1980s, and France is following suit with a great flourish. Other countries in Western Europe, including Sweden, Italy, Germany, and Portugal, are planning to get out of the business of running businesses. State-owned companies in the Middle East and Latin America are up for sale as well. All this activity is likely to stir the interest of private investors. However, investors should take heed when the seller is a sovereign entity, a political machine with at least a formal responsibility to mind the public welfare and a real desire to stay in power. The game may tend to get a little complicated.

Ordinary people sell their businesses for many reasons. Maybe the owner needs cash for another investment. Maybe they're bored or maybe running the business is more trouble than it's worth. Whatever the motivation, in the normal course of events, the owner generally finds a willing buyer. Theyicker over the price, the terms, the details. Then, closing day comes and the buyer turns its back and walks away from the table.

When a potential investor contemplates the purchase of a formerly nationalized company, whether it be the individual who buys some shares of BNP on the French exchange, or a commercial enterprise that acquires a large stake in a Polish clothing manufacturing company, the fact that the seller is a government introduces special considerations that cannot be ignored. The buyer's acquisition strategy and the risks encountered when buying a privatized company are not the same as when purchases are made from a private person or enterprise.

When investors buy from a government, political issues as well as questions of public welfare come into play. The fate of the nationwide privatization program may hang in the balance in the wake of political upheavals. In that case the expected sale of more than 400 enterprises was put in question practically overnight. Even in less turbulent situations, problems arise that are peculiar to the fact that the seller is a governmental body. The government is responsible for fostering the economic development of the country. It can't simply sell off a business without considering the impact on the particular sector involved or on the country's economic system as a whole.

To what extent will the private investor be required to commit to preserving employment? This is particularly important since as many as half of the employees of a state-owned enterprise may constitute a camouflaged dole-queue of hard-core unemployed.

To what extent will private interests be permitted to own businesses involving matters of strategic importance to the state, such as defense-related enterprises?

How can an investor gauge the future success of former business as opposed to its market-honed competition, once the shield of government control is removed?

To what extent will the government continue to control the business through its regulatory powers?

There are at least five crucial questions to be asked when deciding whether and how to invest in a privatized company.

Why is the government selling this company?

What form should the investment take?

What is the company worth?

Who will put the company into market-worthy shape?

What are the lingering effects of former government ownership?

1. Why is the government selling this company?

In general, the government's motivation to privatize will determine the form of the operation as well as to what extent will the company will end up in private hands. It will also determine the extent to which the investor will be able to negotiate a purchase price or be required to enter commitments, such as those involving employment levels or future restructuring of the business acquired.

The classic and apparently most common reason to privatize is political — to change the existing system of government by reducing its direct involvement in the day-to-day lives of its citizens, to create competition and to improve the nation's economy. This has been the situation, for instance, in Eastern Europe.

Another motivation cited for privatizations is budgetary — to raise money for the

state, or at least to minimize the costs to be borne by the state due to their unprofitable investments, as seems to be the case with some of the recent French and British privatizations. Although often a reason for private sales of property, raising cash may not be a primary consideration in certain privatization plans. In Eastern Europe, for instance, the citizens themselves do not have money to invest, or the money they have is not hard currency that could be readily used by the state. In many cases, it would be practically impossible to find someone who would pay cash for the severely dilapidated enterprises that emerge from the former Communist system. A vouchersystem permitted a number of former government-owned business to pass into the hands of private owners without raising any revenues whatever. Foreign investors pose other problems. They might have the cash, but they may not be welcome. Budgetary motivations are not always a priority.

The state may sell part of the interests it holds in companies as a means of raising

When buying from governments, the rules of the game are a bit more intricate than when buying from private investors.

money for the operating needs of the company itself. It might offer to sell part of the business to public investors using, perhaps, special classes of stock to limit the extent to which the public actually is involved in the running of the company. Privatizations for financing purposes are generally less extensive than politically motivated privatizations. With partial privatizations, the government may be able to raise sufficient funds, and it holds onto control.

Privatizations may also be motivated because of changes in the circumstances of the particular industry concerned. A decision may be made to nationalize an industry because of a perceived need to protect it from the vagaries of private ownership. Perhaps control of sensitive industries (for example telecommunications or defense) has gotten into the "wrong hands." Nationalized companies would later be privatized then renationalized as the industry and surrounding conditions evolved.

A unique situation exists in the Middle East. Privatization programs have been adopted with the primary object of reducing a population spoiled by oil riches. In Saudi Arabia, basic work ethics were "seriously underdeveloped" during the "oil boom years, as employment was guaranteed in the public administration or in state-owned companies. Because of the recession and a diminishing number of government posts, Saudis have been forced to find real jobs. In Egypt as well, one goal of the privatization program is to develop managerial skills.

2. What form should the investment take?

Privatizations can be accomplished by several means, such as a public offering on a stock exchange (or at a fixed price), or a private placement to a particular investor or group of investors. From the investors' perspective, buying shares on a public stock exchange is a lot different than purchasing a controlling interest and taking over the operations of a company.

Of course, when the stock exchanges are not developed, as in Eastern Europe, the choice is limited to auctions, or directly negotiated investments. Structuring the investment is not always a straightforward matter. Often, emerging countries will grant tax holidays to attract foreign investment, but this is not always the case. In Russia, for instance, there are heavy VAT and profit taxes imposed on direct investments by foreigners. Alternative forms of investment have arisen in response, such as placing money in special tax-free investment funds or making capital contributions to existing Russian companies. The newness of the relevant investment laws, the unknown status of numerous proposed laws, and the volatile political situation make these alternative structures not entirely reliable over the long haul.

3. What is the company worth?

The government must initially determine which companies to sell and for how much. Determining the proper value of the company may be largely theoretical when the privatization takes the form of a public offering of shares on an exchange, given the immediate influence of the market on the final price paid. Even in a private placement, the price will be adjusted through negotiations. Nonetheless, setting a strategically propitious offering price is a critical step in the government's privatization process. Were the purchase price set too low, the government would lose some of the financial benefits of the privatization, which would go instead to the investors who resold at a higher price. Yet, a discount in the offering price could assure a rapid and thorough privatization.

In most Eastern European countries, traditional valuation procedures, such as discounted cash-flow methods, or methods based on an expected rate of return, may be inapplicable because of the lack of such critical elements as historical information, uniform accounting policies or established stock exchanges.

Off-balance sheet factors must be considered, such as the location of the business, the company's market position, brand value, or the quality of employees. The price in a private placement is the product of a negotiation between the investor and the government. For instance, the investor might be able to obtain a reduced purchase price in exchange for a commitment to implement certain improvements after the change in title, or to preserve or increase employment related to the privatized enterprise. The investor might accept to pay a higher price when the company being sold has the status of a monopoly that will be preserved after the change in ownership.

4. Who will put the company into market-worthy shape?

Another important factor to consider either as part of the overall privatization plan adopted by the government or as a point of negotiation between investor and the government is whether or not the company will be restructured before its sale. Western European governments with the necessary resources have generally restructured companies before they are sold. The British government received an enhanced purchase price for British Aerospace when it privatized in 1987, after the implementation of a series of financial and productivity improvements initiated in 1984. If the government is mainly seeking to improve the economy, it may prefer to commercialize the nationalized company without completely passing it to foreign investors.

In sharp contrast, Eastern European governments generally lack the resources to restructure before the privatization. Sometimes, they work in a chain by selling off one company, then using the proceeds to restructure the next, which is then sold with the proceeds being used to finance the next restructuring and so on. Obviously, this is a unwieldy system, with each step depending on the success of the previous one.

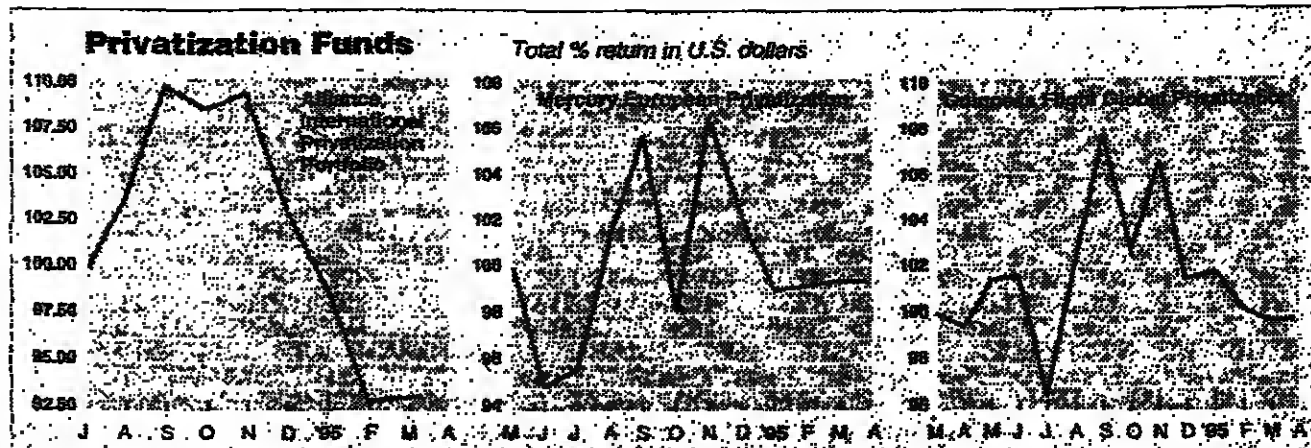
More often, the government will obtain commitments from the purchasers to restructure the company along agreed upon lines after title has passed. Obviously, the purchase price would be reduced accordingly. This works well enough for physical improvements. However, when the restructuring involves less tangible matters that concern the public interest, restructuring after the privatization may be unrealistic. It is hard to conceive that an investor that has purchased a monopoly will be willing to break up the company and to ensure fair competition "for the good of the people" when the main reason the investor chose that company was for dominant market position. Such have been the problems encountered in connection with British Telecom, which was privatized as a virtual monopoly at a premium price.

5. What are the lingering effects of former government ownership?

When buying into companies that were formerly owned and operated by the government, certain facts should never be ignored. The government never really walks away from the table — it retains a certain degree of control over the business through its regulatory powers. The investor must consider to what extent the former owner will exercise its regulatory power in a disinterested way, given that it has had ample opportunity to learn the vulnerabilities of the business. Also, the consequences of breaching the terms of the purchase agreement may be significantly more severe than mere monetary damages. And what about the state of the business acquired? To what extent was it run by bureaucrats or political appointees, rather than by managers who depended on the success of the venture to stay employed? How will the company fare without the special government interest? To what extent will the acquired business need to be revamped to have a chance of standing up to the privately run competition that has been honed by market forces?

Potential investors should bear in mind that, when buying from a government, there are great deals to be had. But the rules of the game are a bit more intricate than when buying from private parties.

Rodney Burton is a partner at S.G. Archibald in Paris; Diane Juzaitis is a manager at Arthur Andersen International, Paris.



## Some Funds Beat the Wounded Market

By Aline Sullivan

Privatization funds are strange beasts. They are strange for their rarity; privatizations, after all, usually manage to excite investor interest. And they are strange for their frequent departure from their avowed aims, particularly in relation to emerging markets.

A further peculiarity is that privatization funds have plenty of cash ready for investment, while the overall picture painted by analysts is of a general shortage of capital to fund ambitious privatization programs worldwide. The fundamental reason for this is that the fund managers are choosy: They wait cautiously for the most attractive issues, and many funds concentrate on Western Europe in preference to developing economies — often in contrast to their published investment aims.

Global Privatization Fund, run by Alliance Capital Management in New York, is the giant exception to the rule. The fund has 98 percent of its \$1.03 billion in assets invested in equities, much of it in emerging markets.

Brazil and Mexico rank in the fund's top 10 countries while RNS Holdings in Russia forms its 10th largest company holding. The fund's asset allocation by sector also re-

flects this emphasis on the developing economies: utilities lead with almost 15 percent, followed by telephone and mining shares.

This strategy has not served the fund well in recent months: returns on net asset values declined nearly 14 percent in the six months ended Feb. 28. Its managers remain bullish, however.

Following the dramatic shakeout in emerging markets over the past two months, the situation now appears to have stabilized," the alliance managers said in a recent report.

Clearly the international support package for Mexico has steadied investors' nerves," they added, "and should facilitate a return of confidence in the emerging markets segment."

In contrast, Guinness Flight Global Privatization Unit Trust has virtually no direct exposure to emerging economies, a tactic that has enabled it to generate flat returns in a deteriorating market. The fund, which is based in London, is shadowed by a parallel offshore fund based in Guernsey.

Although the bulk of the Guinness fund's assets are invested in major European markets, the fund manager, Andrew Couch, plans to increase its exposure in the developed economies of Asia where he expects stock market values to

rise by between 15 and 20 percent before the end of this year.

"I am a bit of a bull," Mr. Couch said. "There are some very attractive privatization opportunities out there and the markets look set to recover. The European markets will be okay and Asia's will outperform the rest of the world."

Two Western European funds, both based in London, also have fared reasonably well in recent months. The \$723 million Kleinwort European Privatization Investment Trust dropped 1.66 percent over six months while the \$879 million Mercury European Privatization Trust declined only 0.24 percent — a far better performance than most European markets recorded in that period.

The Kleinwort fund, which on paper aims to invest in privatized companies throughout Europe, instead focuses on Western Europe, mainly France and Britain. It occasionally makes investments in Eastern Europe, but these currently account for less than 4 percent of the fund's assets. About 20 percent of assets are held in cash. Among the equity investments, utilities form the leading sector, followed by financial and telecommunications companies.

The Mercury fund also focuses on the developed economies of Western Europe.

British equities account for 27 percent of total net assets, followed by Sweden at 10.2 percent. About 23 percent is in cash. Eastern European assets account for less than 1 percent of the total.

"We aren't fully invested because we haven't been offered things we thought were good value," said the fund manager, Paul Harwood.

"Maybe governments will make future offerings cheaper," he said. "We are out of Eastern Europe because we thought it would go down along with other emerging markets. And we were right about that."

This avoidance of Europe's developing economies isn't written in stone, however. Mr. Harwood said he recently bought shares in Tofas, a Turkish maker of auto parts, because the country's depressed economy and currency had forced shares to less than a quarter of their price a year ago.

The Mercury fund differs from the Kleinwort fund in that investments in so-called cyclical, or growth, stocks represent for 60.4 percent of net assets. Financial companies account for 15.3 percent, and utilities for less than 10 percent.

Investors whose funds have not followed to the letter their promise of investing in emerging markets are doubtless giving a sigh of relief now.

## In (and Out) of Paris Bourse

By Aline Sullivan

British investors believe that one of the fastest ways to make money is to subscribe to shares in newly privatized com-

panies and then sell them as fast as possible. But this knowledge is now of little use in Britain, where the privatization program is almost complete.

Instead, British investors are applying their strategy to French privatizations. The Johnson Fry Managed French Privatization Service, or MFP Service, in London, enables private investors to buy and then rapidly sell shares in all the French issues, without the nuisance of filling out French forms, changing money into francs and setting up a French bank account.

Johnson Fry's chief executive, Charles Fry, said the 20,000 investors in the service have made profits of 16 to 22 percent over the past year despite a 25 percent drop in the CAC 40 French stock index.

"By going for a buy and sell service investors don't spend too long in the markets and are able to avoid the risk of a market fall," he said.

Much of this profit can be attributed to currency movements: The franc has appreciated about 10 percent against the pound since French privatization began last year.

The minimum investment of £1,000 (\$1,500) is deposited by the MFP Service into an account at the Bank of Scotland, converted to French francs, and then deposited into an account at Crédit Commercial de France in Paris before the first share application is made.

MFP then arranges for investors to apply for up to £1,000 of shares in each privatization issue. Should investors not be allocated that much by the French government, the extra funds would remain in the account. The service charges an initial fee of £60 and subsequent fees of £15 to £22 for each share

sale. Johnson Fry retains any interest received on the funds.

The risks are obvious: The franc may weaken against the pound after the funds have been converted, or the shares purchased may start trading at a loss. To date, the benefits have outweighed the drawbacks.

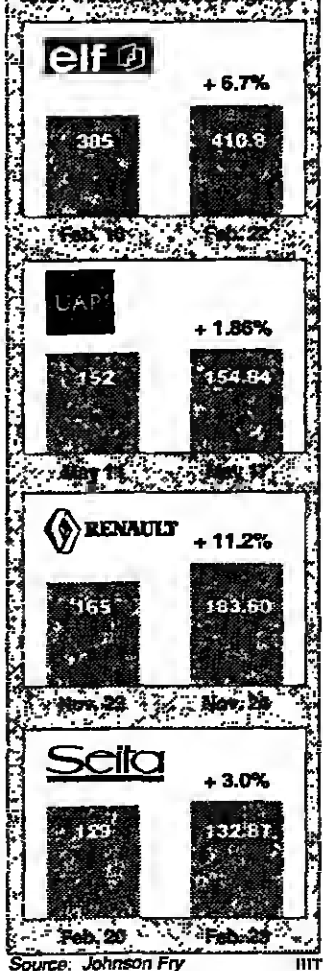
Last year, MFP bought shares in the oil group Elf Aquitaine at 385 francs a share. Selling them 12 days later at 410.8 francs apiece, it then bought shares in Union des Assurances de Paris at 152 francs a share, selling after six days at 154.84 francs. That sale resulted in a slight loss for investors after commission charges.

More impressively, shares in the automaker Renault were bought by MFP at 165 francs each and sold only a day later at 183.6 francs apiece.

"These gains may not sound like much, but when you consider that a lot of people are doing this along with other members of their family it does add up," said Mr. Fry. He pointed out that had the service been available in 20 recent British privatizations, an investment of £1,000 would have been worth about £2,300 after costs.

For investors with an eye for the longer term, Johnson Fry also runs a French portfolio service that retains shares purchased in each privatization issue. Investors must subscribe £5,000 and are allowed one dealing day each month when they can sell their shares.

Not surprisingly, Mr. Fry believes that now is the ideal time to buy into both services. "Although nothing will happen until the elections in May," he said, "the privatization program will certainly continue after then for at least another two years."



Source: Johnson Fry

## Open an account with Robeco Bank and watch your money grow into wealth.

In these times of uncertainty over interest, inflation and exchange rates, the keys to investment success are information, expertise, spread and flexibility.

A Personal Investment Account with Robeco Bank is the simplest and most cost-effective way of getting just that.

Access to global investment management

For over 60 years, the Robeco Group has given investors easy access to the world's equity, bond, property and monetary markets. To take advantage of growth and investment performance, wherever it is strongest.

Little wonder that the Group has over \$35 billion assets under management. Or that the flagship equity investment company, Robeco NV, often the standard against which others are measured, has an average return in US dollars of 16.4% over the last ten years.

The service that reflects your own values

A Personal Investment Account with Robeco Bank

gives you unique proximity to the investment information of the Robeco Group and a simple, focused range of products aimed at long-term, low-risk performance.

You enjoy maximum flexibility and account liquidity. All the security investments in your portfolio are traded daily. Management fees are low and you get low-cost switching of shares within your portfolio.

Dividends paid by the investment companies are re-invested free of charge (and of course we offer swift and efficient multi-currency transfer facilities).

Finally, as part of the personal service offered by the Bank, you'll receive regular reports and quarterly market overviews.

For more information on opening an account with Robeco Bank, fill in the coupon. Or call us in Geneva on (41) 22-919 0139, or fax to us on (41) 22-341 1392; or send us your business card.

To: The Manager, Robeco Bank (Switzerland) S.A., 16 chemin des Coquelicots, Case Postale 114, CH-1215 Geneva 15, Switzerland.

☐ I would like to open a Personal Investment Account. Please send me an account-opening package.

☐ Please send me more information about managed investments from Robeco Bank.

In: English ☐ German ☐ Dutch ☐ French ☐ Tick appropriate box.

Mr/Ms/Miss/Ms/Delete as appropriate! Surname and initials

Age Profession

Street Postcode

Town Telephone

Country Telephone

ROBECO BANK

LUXEMBOURG - SWITZERLAND





## INTERNATIONAL FUNDS

Net asset value quotations are supplied by the Fidelity Mutual Fund Service, Inc. (1-800-541-5500). **(d)** - daily; **(w)** - weekly; **(bi-weekly)** - bi-weekly; **(f)** - fortnightly; **(every two weeks)**; **(r)** - regularly; **(t)** - twice weekly; **(m)** - monthly.

E  
 E  
 We'll co  
  
 PPH

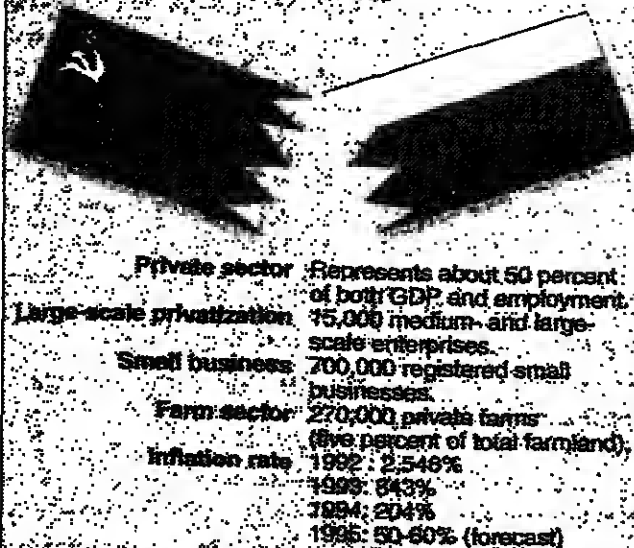
[illegible]

**For information on how to list your fund, fax Catherine de VIENNE at (33-1) 41 43 92 16.**

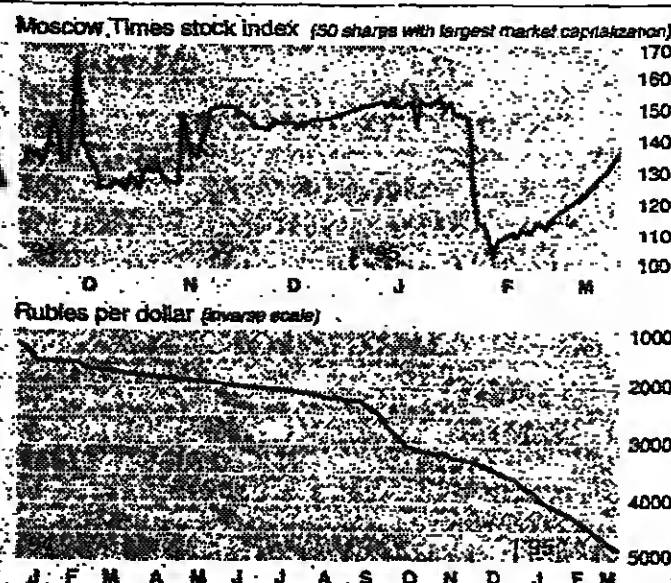


## THE MONEY REPORT

## Russia in Transition



Source: European Bank for Reconstruction and Development, Brunswick brokerage, Bloomberg.



## In Russia, Vast Opportunity, Vast Risk

By Digby Lerner

At the end of this month the Russian government plans to launch a new privatization program it hopes will dispel fears that President Boris N. Yeltsin has retreated from his ambition to continue building a free-market economy.

It also gives international and domestic investors a further chance to buy into a market many analysts claim has enormous growth potential.

Even without new businesses coming to the market, investors already have access to a wide range of stocks on more than six Russian exchanges.

By the end of the first round of privatizations in July last year the government had sold more than 14,000 medium or large state industries.

Between these corporations employ 86 percent of the Russian work force and accounted for about 60 percent of the country's 1994 income. There are no restrictions on foreign investment.

Jayne Sutcliffe, a director with the fund manager Regency Pacific Group, in London, said that despite continued political and economic difficulties in Russia—including inflation at more than 7 percent a month, a budget deficit running at 5 percent of GDP and Mr. Yeltsin's

damaged credibility following the bombing of Chechnya—she remains optimistic for the future.

"Since our Russian funds were launched," she said, "the market has collapsed, but we are still positive. We took large stakes in big companies and these are the sort of investments that are likely to appeal to institutional investors coming into the market later."

Regent has two specialist Russian funds, White Tiger Investment Co., introduced in October 1994, and Red Tiger Investment Co., formed the following December. White Tiger fund is now closed to investors and has seen its value drop from an initial \$20 million to about \$12 million at the end of February. Red Tiger fund is still open. It hopes to top \$20 million soon.

After the bombing of Chechnya, the Moscow Times Index, which tracks 50 shares, fell more than 30 percent. While the index has recovered steadily to within 10 basis points of its value before the bombing, there are still concerns about the future impact of government policy on shares.

Ms. Sutcliffe believes, however, that political and economic risk in Russia is hardly worse than in other emerging markets: "When you buy undervalued stock you know you're getting it cheaply for a reason. But we

believe the Russian market is going to be of sufficient size that emerging market funds will want to have most of their exposure there. There are a lot of people and businesses with a vested interest in making Russia work."

There are signs of economic improvement. Although the budget deficit and inflation are still high, both have fallen in the first few months of the year. Moreover, a new loan agreement signed with the IMF is likely to bring pressure to bear in forcing unprofitable and overstaffed businesses to streamline.

As with all emerging markets, a problem facing international and domestic investors in Russia is obtaining accurate information on shares or on the economy at large. Marie-Hélène Béard, an adviser to the board with Crédit Commercial de France in Paris—which manages a \$66 million Russian fund through its British subsidiary, CCF Framlington—said she mistrusts much of the information available.

"It's a very complex situation and I do not think the official statistics are really very reliable. The state organization itself is becoming poorer and it's hard for them to gather information."

She added that despite the absence of legal restrictions on foreign ownership of shares it can be difficult to buy them. Most shares are owned by 150 investment funds that sprang up in the last 18 months. Finding out which fund holds what shares is tough.

"It's meant to be easy to buy shares but it isn't," she said. "We are now helping with a project to establish a central depository in Russia and to create an independent share register. The only registers that currently exist are those of individual companies."

Other analysts fret that the rules governing corporate activity in Russia are too lax. "There are too many stock markets and not enough controls," said one. Last week the executive director of Russia's Securities and Exchange Commission, Dmitri Vasiliev, was quoted as saying that the country's investment market is highly risky.

Jon Stern, a senior consultant with National Economic Research Associates in London, said the current lack of corporate regulation in Russia could be especially problematic for international investors.

"The question of corporate governance has not yet been adequately addressed," he said. "This could be a problem, particularly in monopolistic sectors, like the energy utilities."

## Deutsche Telekom: Clock Running Out

By Baie Netzer

Germany's government-owned telecommunications monopoly, Deutsche Telekom, is scheduled to offer investors an estimated \$10 billion to \$15 billion in shares about the middle of next year, the first step in what is seen by many as the mother of all privatizations. An offering of similar size is expected in 1997 or 1998.

But as the company prepares itself for sale, experts are expressing skepticism about whether management can resolve lingering problems before heading to market.

"They're running out of time," said Oscar Castro, manager of Montgomery Global Communications Fund. "They have an extremely strong union which is causing delays, and the politicians aren't taking a very strong stand."

Though the company is well-

positioned to compete in central Europe and Russia, its home-market prices are too high, it has enormous pension funding obligations, too much debt and a wave of newly formed alliances ready to compete with it, according to Jonathan Lee, telecommunications analyst at James Capel in London.

"It's not in good shape at all when one looks at those issues," said Mr. Lee.

The resignation and departure of the chief executive, Helmut Rieke, at the end of last year heightened the management crisis at Deutsche Telekom, experts say. Mr. Rieke was the one manager who appeared to know how to pull the company together, according to Mr. Lee.

Now, with such German industrial giants as Veba AG and Thyssen AG joining with American partners to compete in the German telecommunications market, the pressure is on Deutsche Telekom to show that

it can do business in a deregulated market.

"I'm not sure they have the mentality to start competing

International investors like to see strong retail demand for an offering before they will invest their own funds.

when the market opens up," Mr. Castro said. "And they'll be up against alliances with U.S. companies already used to competition."

A question remaining for retail investors is whether a discount on Deutsche Telekom's share price will be offered, ac-

cording to Rodney Lord, publisher of the newsletter Privatization International. Discounts of 5 percent or less have helped a number of British privatizations succeed, he said.

"Right now, the attitude of the German government seems to be that the offering will be so high-profile that investors will flock to the shares," Mr. Lord said. "But German investors don't have a tradition of buying stocks, so you're putting a lot of trust in them if you don't offer any incentive."

That attitude can easily backfire, Mr. Lord warned, as international investors like to see strong retail demand for an offering before they will invest their own funds.

"We certainly intend to sell our shares to individual investors," said Ulrich Lissek, spokesman for Deutsche Telekom in Bonn. "Our offering will be so big that it wouldn't make sense for us to exclude anybody."

## BRIEF CASE

## American Phoenix Offers A Wider Currency Choice

American Phoenix Investment Portfolio, or APIP, will now accept subscriptions in dollars, pounds and lire from investors wishing to buy a stake in the firm's Luxembourg-based umbrella fund. Previously only Euro-denominated subscriptions were acceptable.

Investors can choose between the Global Multinational Portfolio, which invests in worldwide multinationals, and the European Multinational Portfolio, which focuses on multinationals headquartered in Europe.

Andrew della Casa, a director of American Phoenix Investments Ltd., said that the additional currencies would "give investors the choice of which currency to deal in to suit their needs. Investment managers who manage funds that have systems which report in only one currency will also now have access to APIP."

APIP is a unit of the American insurer Phoenix Home Life Mutual Insurance Co., which has more than \$25 billion under management.

## International Alliance In Mutual Fund Industry

The mutual fund industry took an important step toward becoming genuinely international this week with the announce-

ment of the alliance between the American fund manager Massachusetts Financial Services, Hypo Bank of Germany and the British fund manager Foreign & Colonial.

Massachusetts Financial, which has \$35 billion in assets under management and 1.3 million customers, will distribute products managed or advised by Foreign & Colonial to individual investors in the United States. Hypo Bank and Foreign & Colonial will reciprocate by offering Massachusetts Financial an entry into European markets. The parties to the alliance will exchange research, but no cash or stock holdings will change hands.

"This alliance is a great strategic fit for MFS," said A. Keith Brodtkin, chairman and CEO of Massachusetts Financial.

"With F&C's vast resources in international equity management, including in the emerging markets, we will be able to expand our offering of international equity funds to U.S. investors."

"At the same time the alliance will provide a significant boost to our global distribution, which we think will be one of the greatest growth areas in the industry," he added.

James Ogilvy, CEO of F&C, also expressed satisfaction with the deal. "In addition to our existing presence in Europe and the Far East, our strategy has been to establish a 'third leg' in the large and growing U.S. market, and this will help us accomplish that goal."

Mutual fund industry analysts said that the immediate practical benefits of the deal from the individual investors' point of view would be an increased choice of funds, and a tendency for fund groups to market funds of similar legal structures across international borders.

## Private Patients Plan Sets Higher Limits on Coverage

Private Patients Plan, a British health care specialist insurer, has increased the limits of its cover for its international clients. The company has also widened the scope of its cover to include osteopathy and chiropractic.

The insurer offers three types of international plan. The Comprehensive option's cover limit has been trebled from £250,000 (\$400,000) to £750,000. The Prestige and Standard cover limits have been raised from £500,000 and £250,000 to £1 million and £500,000, respectively.

"Medical costs worldwide continue to rise unabated, far outstripping the underlying rate of inflation," said Philip Healey, international business manager at Private Patients Plan. "It is our aim to ensure that membership of PPP's International Health Plan provides the best possible assurance that the high cost of worldwide medical care will be met."

For more information, call PPP in Britain at (44 1892) 512 345.

## We'll cover you from as little as £8\* a week.

Take a look at the average medical costs\*\* for these common ailments and then tell us you can't afford PPP medical insurance.

£250,000 ANNUAL COVER  
FOR AS LITTLE AS £8\* A WEEK

That's right, for as little as £8\* a week we'll cover you for medical costs up to an annual maximum of £250,000.

And provide the peace of mind that is essential if you are living, working or travelling in a country where medical facilities may be inadequate and private medical treatment prohibitively expensive.

Private Patients Plan (PPP) is one of the UK's leading medical insurance companies with over 2 million members.

PPP's International Division specialises in medical insurance for people working or living overseas. Its International Health Plan offers a wide range of options for different needs and budgets, with annual cover up to £500,000.

For immediate cover call anytime day or night.

44 (0) 892 503311

Send to: PPP International, Piffan House, Tunbridge Wells, Kent, TN11 2PL, England. Or fax to: 44 (0) 892 503329.

YES! I would like to know more about the PPP International Health Plan. Please send me further details. ☐

TITLE: Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Dr ☐ Other ☐

SURNAME: \_\_\_\_\_

FORENAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

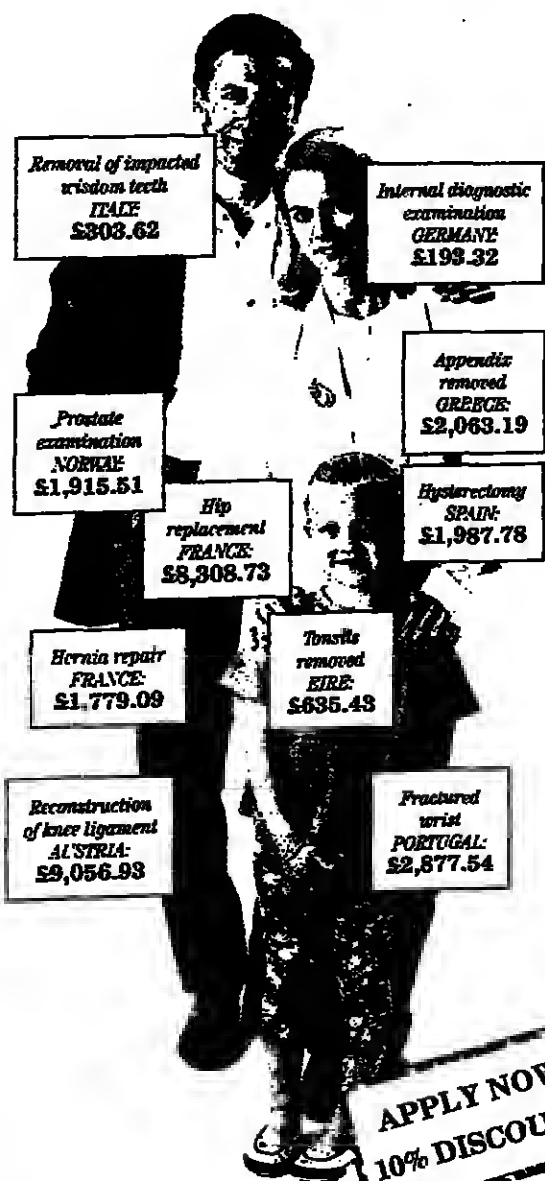
COUNTRY: \_\_\_\_\_

TEL NO: \_\_\_\_\_ FAX NO: \_\_\_\_\_

CURRENT SCHEME \_\_\_\_\_

RENEWAL DATE: \_\_\_\_\_

PPP International Health Plan is specifically designed for expatriates. Non-expatriates may apply subject to any applicable governing laws or exchange control regulations.

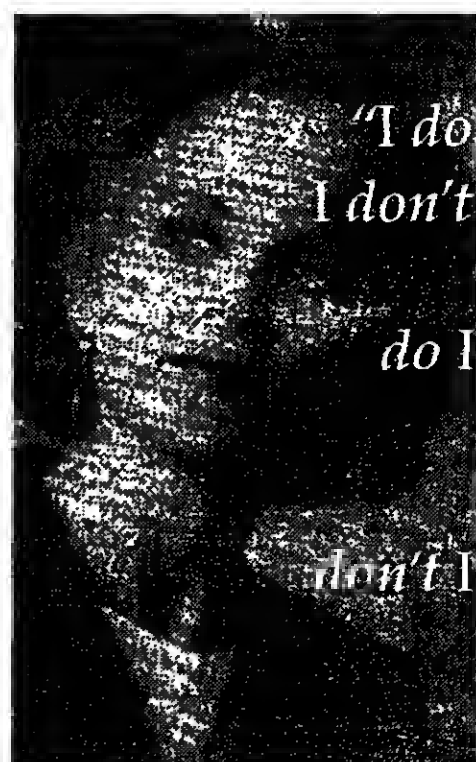


PPP International  
International Healthcare Finance

\*Based on Standard Option Area 1 Europe including UK. Age 30-34 years

\*\*Source: This information is based on the average costs paid by PPP under the International Health Plan between 1992 and 1994 for particular European ailments. The value of the claims have been converted into pounds sterling for the purpose of comparison.

The exchange rates used were those prevailing at the time the claim was paid.



"I do bank offshore  
I don't have instant access  
to my money  
do I need the new International  
Debit Card from  
Standard Chartered or  
don't I?"

If you keep money offshore, you may have all the confidence of knowing it is in a secure environment earning a competitive rate of interest. But what about getting your hands

on it when you need it? Your offshore bank is probably a long way away and, until now, getting access to your money may have been a slow and cumbersome process.

## THE NEW INTERNATIONAL DEBIT CARD

Our new International Debit Card can help to put your offshore money right into your hands, giving you easy, instant access to it from around the world.

The new Card bears the VISA symbol, allowing you to withdraw local currency from over 180,000 24-hour VISA cash machines around the globe and to make direct payments from your offshore bank account for goods and services at over 11 million outlets worldwide—wherever you see the VISA symbol.\*

Available with both our Sterling and US Dollar Extra Value Deposit Accounts, the new International Debit Card can help put your offshore funds right into your pocket.

And we're sure that, in answer to the question we've posed above, you'll want to say 'I do'.

For more information about our new International Debit Card and the Sterling and US Dollar Extra Value Deposit Accounts, please return the coupon below to: Steve Cartwright, Standard Chartered Bank (CI) Ltd, P.O. Box 830, Conway Street, St. Helier, Jersey JE4 9NZ, Channel Islands. Or call us on Jersey (44-1534) 507001. Fax: (44-1534) 507112.

\*Use of the Card is subject to the conditions described in the applicable International Debit Card Terms & Conditions. The International Debit Card is available to Extra Value Deposit Account Customers who hold a minimum of £2,000 or US\$5,000 on their account with the Jersey Office of Standard Chartered Bank (CI) Ltd.

The principal place of business of Standard Chartered Bank (CI) Ltd is Jersey, and its paid-up capital and reserves exceed £5 million. Copies of the latest audited accounts are available on request.

Deposits made with the office of Standard Chartered Bank (CI) Ltd in Jersey are not covered by the Deposit Protection Scheme under the UK Banking Act 1987. Jersey is not part of the UK.

In Jersey contact: Standard Chartered Bank (CI) Ltd, P.O. Box 830, Conway Street, St. Helier, Jersey JE4 9NZ, Channel Islands. Tel: Jersey (44-1534) 507001. Fax: (44-1534) 507112.

Standard Chartered Bank (CI) Ltd is a member of the Standard Chartered Group, which is a member of the Visa International Service Organisation.

Standard Chartered Bank (CI) Ltd is a member of the Visa International Service Organisation.

Standard Chartered Bank (CI) Ltd is a member of the Visa International Service Organisation.

Standard Chartered Bank (CI) Ltd is a member of the Visa International Service Organisation.



## SPORTS

# UConn, UCLA, Kentucky And N. Carolina Triumph

The Associated Press  
Connecticut showed Joe Smith the kind of attention he can expect to see in the National Basketball Association, whenever that day comes.

The Huskies bumped and banged the All-American cen-

NCAA TOURNAMENT

ter all game and bounced Maryland from the West Regional, 99-89, Thursday night.

Connecticut moved on to a sweet meeting with No. 1 UCLA on Saturday for a trip to the Final Four. The Bruins routed Mississippi State, 86-67, in the other semifinal in Oakland, California.

## Canisius and Penn State Reach NIT's Final Four

The Associated Press

Canisius already is warming up to the perks that come with reaching the National Invitation Tournament's Final Four.

The Golden Griffins' 89-80 victory over Washington State on Thursday in Buffalo, New York, puts them in the spotlight by playing a nationally televised game. There's a free trip to New York and a chance to play at Madison Square Garden. Also included are complimentary tickets to the Bulls-Knicks game Tuesday, when Chicago's Michael Jordan makes his first appearance in New York since returning to basketball.

Michael Meeks is largely responsible for such treatment as Canisius gets ready for its first NIT Final Four since 1963.

Meeks scored 18 of his 24 points in the second half and Canisius made 16 straight free throws down the stretch to beat Washington State. Canisius hit 27 of 30 free throws in the game.

Darrell Barley added 20 points for Canisius (21-12),

while Craig Wise and Chris Young added 13 apiece.

Isaac Fontaine scored 20 points and Mark Hendrickson finished with 19 for Washington State (18-12), which hadn't played Canisius since 1947.

Canisius will play Virginia Tech on Monday before Marquette meets Penn State, a victor over Iowa, in the other semifinal.

Penn State 67, Iowa 64: In Iowa City, Iowa, Pete Livicki hit a 3-pointer with 2.1 seconds to play to snap a tie and give Penn State the victory.

Iowa (21-12) squandered an early 13-point lead, then battled back from a 14-point deficit in the final 6:35 to tie it: 64 on Jess Settle's two free throws with 10.6 seconds remaining.

Livicki then took a pass on the right and drilled the game-winning basket to send the Nittany Lions (20-10) to New York.

Rahsaan Carlton led the balanced Penn State attack with 13 points, while John Amaechi had 12 points and Donovan Williams 10 points.

North Carolina all were ranked No. 1 at some point this year. Kentucky finished the regular season at No. 2.

Donny Marshall, another future pro, scored 27 points for Connecticut (28-4). Only a cut near his right eye that sent blood down the right side of his face in the first half slowed down his chest-bumping, fist-pumping emotional display.

Smith was held to six points in the first half, sitting out the last five minutes after picking up his third foul.

The Huskies never trailed and led comfortably for most of the game. Maryland (26-8) moved within nine points with 3:10 left, but got no closer.

On Friday night, the semifinals were to start in the East and Midwest regionals.

In East Rutherford, New Jersey, Wake Forest (26-5) was facing Oklahoma State (25-9) and Massachusetts (28-4) took on Tulsa (24-7).

In Kansas City, Missouri, it was Arkansas (29-6) against Memphis (24-9) and Kansas (25-5) against Virginia (24-8).

UCLA 86, Mississippi State 67: Ed O'Bannon scored 21 points and UCLA (28-2) won its 16th straight game. The top-ranked Bruins moved within one victory of their first Final Four since 1980.

UCLA used its man-to-man defense to overwhelm Mississippi State and take a 40-19 lead at halftime. A three-point play by Charles O'Bannon, Ed's brother, made it 65-29 with 10:19 left.

North Carolina 74, Georgetown 64: Rashad Wallace, limited to 46 minutes in the first games of the tournament because of a sprained ankle, had 22 points, 12 rebounds and six blocked shots for the Tar Heels.

North Carolina (27-5) is one victory away from the 10th trip to the Final Four under Coach Dean Smith. The game marked the first time the teams had met in the tournament since Michael Jordan and North Carolina beat the Hoyas for the 1982 championship.

Wallace scored 20 points in the second half. Donald Williams added 20 for the Tar Heels. Allen Iverson scored 24 points for Georgetown (21-10).

Kentucky 97, Arizona State 73: Tony Delk scored 26 points for Kentucky, which has won its three tournament games by an average of 31 points.

The Wildcats (28-4) were strong inside and out, hitting 3-pointers and throwing down dunks. A 12-0 run at the start of the second half made it 54-36.

All three starters on the Kentucky front line scored in double figures — Rodrick Rhodes with 16, Andre Riddick 15 and Walter McCarty 10.

Arizona State (24-9) lost in its first visit to the round of 16 since 1975.



Maryland's Joe Smith stopped Eric Hayward's shot, but UConn finished on top, 99-89.

### How Is a Timeout Called?

NCAA officials plan to clarify what signals can be used for a timeout request following Lawrence Moten's blunder last week in Syracuse's loss to Arkansas. The Associated Press reported.

Moten called a timeout Sunday with Syracuse leading Arkansas 82-81 with 4.2 seconds remaining, although the Orangemen had no timeouts left.

That gave Syracuse a technical and sent Arkansas to the line to tie the game, which it went on to win in overtime, 96-94.

But the Syracuse coach, Jim Boeheim, has since discovered a loophole that may have prevented the technical. Moten asked for the timeout visually, although a section of the

### NCAA rule book requires timeouts to be made orally.

A conflict in the current rule book has one section stating that a player must make an oral request in order for a referee to grant a timeout, while another section does not specify that the request must be oral.

In practice, referees for years have recognized both the spoken request and a hand signal of a "T."

Hank Nichols, NCAA national coordinator of officiating and secretary-editor of the NCAA men's basketball rules committee, said the error was in the rule book and not in the officials' handling of the call.

He said the book would probably be changed to allow either the hand signal or the oral request.

### NBA HIGHLIGHTS

Chicago homecoming when the Bulls met Friday night at the United Center.

"We'll just have to go in and play our game and whatever happens, happens," O'Neal said. "I'm just glad to be on the same floor with the world's greatest player."

Orlando, which tuned up for the Bulls with a 105-93 victory over Charlotte, and Utah became the first teams to hit the 50-win mark. Jazz won their 16th in 18 games by beating Houston, 112-104.

O'Neal made 13 of 21 shots, finishing with 34 points to go with his 15 rebounds and five blocks against Mourning, who had 35 points, six rebounds and four blocks.

Horace Grant added 23 points and 12 rebounds for the Bulls, who also got 12 points and a career-high 16 assists from Antwanne Hardaway, playing with a dislocated finger.

Jazz 112, Rockets 104: Karl Malone scored 15 of his 30 points in the third quarter, keeping Utah from blowing an 18-point halftime lead in Houston.

Utah led 60-42 at halftime, but the Rockets recovered by hitting 10 of their first 14 shots in the third period, trimming the deficit to 79-76 with 2:44 left in the quarter.

Mavericks 102, Pistons 94: Visiting Dallas won its third straight and sixth in seven games, getting 21 points and 18 rebounds from Popeye Jones.

Detroit rookie Grant Hill scored a season-high 32 points, but missed all six of his shots in the fourth quarter as the Pistons lost for the seventh time in eight games.

## SCOREBOARD

### NBA Standings

**EASTERN CONFERENCE**  
Atlantic Division  
W L Pct GB  
New York 42 22 .657 0  
Miami 38 26 .591 4  
New Jersey 36 28 .562 6  
Boston 35 29 .547 7  
Philadelphia 34 30 .530 8  
Washington 33 31 .516 9

**CENTRAL DIVISION**  
W L Pct GB  
Indiana 41 25 .619 0  
Charlotte 37 29 .561 4  
Cleveland 36 30 .547 5  
Chicago 35 31 .530 6  
Atlanta 34 32 .516 7  
Milwaukee 33 33 .500 8  
Detroit 32 34 .485 9

**WESTERN CONFERENCE**  
Midwest Division  
W L Pct GB  
Utah 42 22 .657 0  
San Antonio 40 24 .625 2  
Houston 38 26 .591 4  
Denver 37 29 .562 5  
Dallas 36 30 .547 6  
Minnesota 35 31 .530 7

### THURSDAY'S RESULTS

Dallas 97, New York 85  
Miami 81, New Jersey 78  
Boston 84, Philadelphia 77  
Washington 82, Charlotte 75  
Indiana 80, Cleveland 73  
Chicago 76, Atlanta 71  
Milwaukee 74, Detroit 68

**FRIDAY'S RESULTS**  
New York 99, Maryland 89  
UCLA 86, Mississippi State 67  
Kentucky 97, Arizona State 73  
North Carolina 74, Georgetown 64

**SATURDAY'S RESULTS**  
UCLA 86, Mississippi State 67  
Kentucky 97, Arizona State 73  
North Carolina 74, Georgetown 64

### NHL Standings

**EASTERN CONFERENCE**  
Atlantic Division  
W L Pct GB  
Philadelphia 31 18 .636 0  
Pittsburgh 30 19 .612 1  
New York Rangers 29 20 .594 2  
New York Islanders 28 21 .570 3  
Boston 27 22 .547 4  
Washington 26 23 .524 5  
Detroit 25 24 .500 6  
Buffalo 24 25 .485 7  
Columbus 23 26 .469 8  
Calgary 22 27 .444 9  
Edmonton 21 28 .429 10  
Vancouver 20 29 .405 11  
San Jose 19 30 .381 12  
Los Angeles 18 31 .357 13  
Anaheim 17 32 .333 14  
San Diego 16 33 .309 15  
Dallas 15 34 .286 16  
Chicago 14 35 .262 17  
St. Louis 13 36 .238 18  
Columbus 12 37 .214 19  
Phoenix 11 38 .190 20  
San Jose 10 39 .167 21  
Dallas 9 40 .143 22  
Los Angeles 8 41 .119 23  
Anaheim 7 42 .095 24  
Chicago 6 43 .071 25  
St. Louis 5 44 .048 26  
Phoenix 4 45 .024 27  
San Jose 3 46 .000 28  
Dallas 2 47 .000 29  
Los Angeles 1 48 .000 30  
Anaheim 0 49 .000 31  
Chicago 0 50 .000 32  
St. Louis 0 51 .000 33  
Phoenix 0 52 .000 34  
San Jose 0 53 .000 35  
Dallas 0 54 .000 36  
Los Angeles 0 55 .000 37  
Anaheim 0 56 .000 38  
Chicago 0 57 .000 39  
St. Louis 0 58 .000 40  
Phoenix 0 59 .000 41  
San Jose 0 60 .000 42  
Dallas 0 61 .000 43  
Los Angeles 0 62 .000 44  
Anaheim 0 63 .000 45  
Chicago 0 64 .000 46  
St. Louis 0 65 .000 47  
Phoenix 0 66 .000 48  
San Jose 0 67 .000 49  
Dallas 0 68 .000 50  
Los Angeles 0 69 .000 51  
Anaheim 0 70 .000 52  
Chicago 0 71 .000 53  
St. Louis 0 72 .000 54  
Phoenix 0 73 .000 55  
San Jose 0 74 .000 56  
Dallas 0 75 .000 57  
Los Angeles 0 76 .000 58  
Anaheim 0 77 .000 59  
Chicago 0 78 .000 60  
St. Louis 0 79 .000 61  
Phoenix 0 80 .000 62  
San Jose 0 81 .000 63  
Dallas 0 82 .000 64  
Los Angeles 0 83 .000 65  
Anaheim 0 84 .000 66  
Chicago 0 85 .000 67  
St. Louis 0 86 .000 68  
Phoenix 0 87 .000 69  
San Jose 0 88 .000 70  
Dallas 0 89 .000 71  
Los Angeles 0 90 .000 72  
Anaheim 0 91 .000 73  
Chicago 0 92 .000 74  
St. Louis 0 93 .000 75  
Phoenix 0 94 .000 76  
San Jose 0 95 .000 77  
Dallas 0 96 .000 78  
Los Angeles 0 97 .000 79  
Anaheim 0 98 .000 80  
Chicago 0 99 .000 81  
St. Louis 0 100 .000 82

### TRANSITIONS

**BASEBALL**  
New York Yankees 5-4, Boston Red Sox 4-3  
Los Angeles Dodgers 6-5, San Francisco Giants 5-4  
St. Louis Cardinals 7-6, Chicago Cubs 6-5  
Pittsburgh Pirates 8-7, Cincinnati Reds 7-6  
Milwaukee Brewers 9-8, Philadelphia Phillies 8-7  
Cleveland Indians 10-9, Detroit Tigers 9-8  
Kansas City Royals 11-10, Texas Rangers 10-9  
Seattle Mariners 12-11, Oakland Athletics 11-10  
San Diego Padres 13-12, New York Mets 12-11  
Florida Marlins 14-13, Atlanta Braves 13-12  
Houston Astros 15-14, San Jose Giants 14-13  
Los Angeles Angels 16-15, Baltimore Orioles 15-14  
New York Yankees 17-16, Boston Red Sox 16-15  
Los Angeles Dodgers 18-17, San Francisco Giants 17-16  
St. Louis Cardinals 19-18, Chicago Cubs 18-17  
Pittsburgh Pirates 20-19, Cincinnati Reds 19-18  
Milwaukee Brewers 21-20, Philadelphia Phillies 20-19  
Cleveland Indians 22-21, Detroit Tigers 21-20  
Kansas City Royals 23-22, Texas Rangers 22-21  
Seattle Mariners 24-23, Oakland Athletics 23-22  
San Diego Padres 25-24, New York Mets 24-23  
Florida Marlins 26-25, Atlanta Braves 25-24  
Houston Astros 27-26, San Jose Giants 26-25  
Los Angeles Angels 28-27, Baltimore Orioles 27-26  
New York Yankees 29-28, Boston Red Sox 28-27  
Los Angeles Dodgers 30-29, San Francisco Giants 29-28  
St. Louis Cardinals 31-30, Chicago Cubs 30-29  
Pittsburgh Pirates 32-31, Cincinnati Reds 31-30  
Milwaukee Brewers 33-32, Philadelphia Phillies 32-31  
Cleveland Indians 34-33, Detroit Tigers 33-32  
Kansas City Royals 35-34, Texas Rangers 34-33  
Seattle Mariners 36-35, Oakland Athletics 35-34  
San Diego Padres 37-36, New York Mets 36-35  
Florida Marlins 38-37, Atlanta Braves 37-36  
Houston Astros 39-38, San Jose Giants 38-37  
Los Angeles Angels 40-39, Baltimore Orioles 39-38  
New York Yankees 41-40, Boston Red Sox 40-39  
Los Angeles Dodgers 42-41, San Francisco Giants 41-40  
St. Louis Cardinals 43-42, Chicago Cubs 42-41  
Pittsburgh Pirates 44-43, Cincinnati Reds 43-42  
Milwaukee Brewers 45-44, Philadelphia Phillies 44-43  
Cleveland Indians 46-45, Detroit Tigers 45-44  
Kansas City Royals 47-46, Texas Rangers 46-45  
Seattle Mariners 48-47, Oakland Athletics 47-46  
San Diego Padres 49-48, New York Mets 48-47  
Florida Marlins 50-49, Atlanta Braves 49-48  
Houston Astros 51-50, San Jose Giants 50-49  
Los Angeles Angels 52-51, Baltimore Orioles 51-50  
New York Yankees 53-52, Boston Red Sox 52-51  
Los Angeles Dodgers 54-53, San Francisco Giants 53-52  
St. Louis Cardinals 55-54, Chicago Cubs 54-53  
Pittsburgh Pirates 56-55, Cincinnati Reds 55-54  
Milwaukee Brewers 57-56, Philadelphia Phillies 56-55  
Cleveland Indians 58-57, Detroit Tigers 57-56  
Kansas City Royals 59-58, Texas Rangers 58-57  
Seattle Mariners 60-59, Oakland Athletics 59-58  
San Diego Padres 61-60, New York Mets 60-59  
Florida Marlins 62-61, Atlanta Braves 61-60  
Houston Astros 63-62, San Jose Giants 62-61  
Los Angeles Angels 64-63, Baltimore Orioles 63-62  
New York Yankees 65-64, Boston Red Sox 64-63  
Los Angeles Dodgers 66-65, San Francisco Giants 65-64  
St. Louis Cardinals 67-66, Chicago Cubs 66-65  
Pittsburgh Pirates 68-67, Cincinnati Reds 67-66  
Milwaukee Brewers 69-68, Philadelphia Phillies 68-67  
Cleveland Indians 70-69, Detroit Tigers 69-68  
Kansas City Royals 71-70, Texas Rangers 70-69  
Seattle Mariners 72-71, Oakland Athletics 71-70  
San Diego Padres 73-72, New York Mets 72-71  
Florida Marlins 74-73, Atlanta Braves 73-72  
Houston Astros 75-74, San Jose Giants 74-73  
Los Angeles Angels 76-75, Baltimore Orioles 75-74  
New York Yankees 77-76, Boston Red Sox 76-75  
Los Angeles Dodgers 78-77, San Francisco Giants 77-76  
St. Louis Cardinals 79-78, Chicago Cubs 78-77  
Pittsburgh Pirates 80-79, Cincinnati Reds 79-78  
Milwaukee Brewers 81-80, Philadelphia Phillies 80-79  
Cleveland Indians 82-81, Detroit Tigers 81-80  
Kansas City Royals 83-82, Texas Rangers 82-81  
Seattle Mariners 84-83, Oakland Athletics 83-82  
San Diego Padres 85-84, New York Mets 84-83  
Florida Marlins 86-85, Atlanta Braves 85-84  
Houston Astros 87-86, San Jose Giants 86-85  
Los Angeles Angels 88-87, Baltimore Orioles 87-86  
New York Yankees 89-88, Boston Red Sox 88-87  
Los Angeles Dodgers 90-89, San Francisco Giants 89-88  
St. Louis Cardinals 91-90, Chicago Cubs 90-89  
Pittsburgh Pirates 92-91, Cincinnati Reds 91-90  
Milwaukee Brewers 93-92, Philadelphia Phillies 92-91  
Cleveland Indians 94-93, Detroit Tigers 93-92  
Kansas City Royals 95-94, Texas Rangers 94-93  
Seattle Mariners 96-95, Oakland Athletics 95-94  
San Diego Padres 97-96, New York Mets 96-95  
Florida Marlins 98-97, Atlanta Braves 97-96  
Houston Astros 99-98, San Jose Giants 98-97  
Los Angeles Angels 100-99, Baltimore Orioles 99-98  
New York Yankees 101-100, Boston Red Sox 100-99  
Los Angeles Dodgers 102-101, San Francisco Giants 101-100  
St. Louis Cardinals 103-102, Chicago Cubs 102-101  
Pittsburgh Pirates 104-103, Cincinnati Reds 103-102  
Milwaukee Brewers 105-104, Philadelphia Phillies 104-103  
Cleveland Indians 106-105, Detroit Tigers 105-104  
Kansas City Royals 107-106, Texas Rangers 106-105  
Seattle Mariners 108-107, Oakland Athletics 107-106  
San Diego Padres 109-108, New York Mets 108-107  
Florida Marlins 110-109, Atlanta Braves 109-108  
Houston Astros 111-110, San Jose Giants 110-109  
Los Angeles Angels 112-111, Baltimore Orioles 111-110  
New York Yankees 113-112, Boston Red Sox 112-111  
Los Angeles Dodgers 114-113, San Francisco Giants 113-112  
St. Louis Cardinals 115-114, Chicago Cubs 114-113  
Pittsburgh Pirates 116-115, Cincinnati Reds 115-114  
Milwaukee Brewers 117-116, Philadelphia Phillies 116-115  
Cleveland Indians 118-117, Detroit Tigers 117-116  
Kansas City Royals 119-118, Texas Rangers 118-117  
Seattle Mariners 120-119, Oakland Athletics 119-118  
San Diego Padres 121-120, New York Mets 120-119  
Florida Marlins 122-121, Atlanta Braves 121-120  
Houston Astros 123-122, San Jose Giants 122-121  
Los Angeles Angels 124-123, Baltimore Orioles 123-122  
New York Yankees 125-124, Boston Red Sox 124-123  
Los Angeles Dodgers 126-125, San Francisco Giants 125-124  
St. Louis Cardinals 127-126, Chicago Cubs 126-125  
Pittsburgh Pirates 128-127, Cincinnati Reds 127-126  
Milwaukee Brewers 129-128, Philadelphia Phillies 128-127  
Cleveland Indians 130-129, Detroit Tigers 129-128  
Kansas City Royals 131-130, Texas Rangers 130-129  
Seattle Mariners 132-131, Oakland Athletics 131-130  
San Diego Padres 133-132, New York Mets 132-131  
Florida Marlins 134-133, Atlanta Braves 133-132  
Houston Astros 135-134, San Jose Giants 134-133  
Los Angeles Angels 136-135, Baltimore Orioles 135-134  
New York Yankees 137-136, Boston Red Sox 136-135  
Los Angeles Dodgers 138-137, San Francisco Giants 137-136  
St. Louis Cardinals 139-138, Chicago Cubs 138-137  
Pittsburgh Pirates 140-139, Cincinnati Reds 139-138  
Milwaukee Brewers 141-140, Philadelphia Phillies 140-139  
Cleveland Indians 142-141, Detroit Tigers 141-140  
Kansas City Royals 143-142, Texas Rangers 142-141  
Seattle Mariners 144-143, Oakland Athletics 143-142  
San Diego Padres 145-144, New York Mets 144-143  
Florida Marlins 146-145, Atlanta Braves 145-144  
Houston Astros 147-146, San Jose Giants 146-145  
Los Angeles Angels 148-147, Baltimore Orioles 147-146  
New York Yankees 149-148, Boston Red Sox 148-147  
Los Angeles Dodgers 150-149, San Francisco Giants 149-148  
St. Louis Cardinals 151-150, Chicago Cubs 150-149  
Pittsburgh Pirates 152-151, Cincinnati Reds 151-150  
Milwaukee Brewers 153-152, Philadelphia Phillies 152-151  
Cleveland Indians 154-153, Detroit Tigers 153-152  
Kansas City Royals 155-154, Texas Rangers 154-153  
Seattle Mariners 156-155, Oakland Athletics 155-154  
San Diego Padres 157-156, New York Mets 156-155  
Florida Marlins 158-157, Atlanta Braves 157-156  
Houston Astros 159-158, San Jose Giants 158-157  
Los Angeles Angels 160-159, Baltimore Orioles 159-158  
New York Yankees 161-160, Boston Red Sox 160-159  
Los Angeles Dodgers 162-161, San Francisco Giants 161-160  
St. Louis Cardinals 163-162, Chicago Cubs 162-161  
Pittsburgh Pirates 164-163, Cincinnati Reds 163-162  
Milwaukee Brewers 165-164, Philadelphia Phillies 164-163  
Cleveland Indians 166-165, Detroit Tigers 165-164  
Kansas City Royals 167-166, Texas Rangers 166-165  
Seattle Mariners 168-167, Oakland Athletics 167-166  
San Diego Padres 169-168, New York Mets 168-167  
Florida Marlins 170-169, Atlanta Braves 169-168  
Houston Astros 171-170, San Jose Giants 170-169  
Los Angeles Angels 172-171, Baltimore Orioles 171-170  
New York Yankees 173-172, Boston Red Sox 172-171  
Los Angeles Dodgers 174-173, San Francisco Giants 173-172  
St. Louis Cardinals 175-174, Chicago Cubs 174-173  
Pittsburgh Pirates 176-175, Cincinnati Reds 175-174  
Milwaukee Brewers 177-176, Philadelphia Phillies 176-175  
Cleveland Indians 178-177, Detroit Tigers 177-176  
Kansas City Royals 179-178, Texas Rangers 178-177  
Seattle Mariners 180-179, Oakland Athletics 179-178  
San Diego Padres 181-180, New York Mets 180-179  
Florida Marlins 182-181, Atlanta Braves 181-180  
Houston Astros 183-182, San Jose Giants 182-181  
Los Angeles Angels 184-183, Baltimore Orioles 183-182  
New York Yankees 185-184, Boston Red Sox 184-183  
Los Angeles Dodgers 186-185, San Francisco Giants 185-184  
St. Louis Cardinals 187-186, Chicago Cubs 186-185  
Pittsburgh Pirates 188-187, Cincinnati Reds 187-186  
Milwaukee Brewers 189-188, Philadelphia Phillies 188-187  
Cleveland Indians 190-189, Detroit Tigers 189-188  
Kansas City Royals 191-190, Texas Rangers 190-189  
Seattle Mariners 192-191, Oakland Athletics 191-190  
San Diego Padres 193-192, New York Mets 192-191  
Florida Marlins 194-193, Atlanta Braves 193-192  
Houston Astros 195-194, San Jose Giants 194-193  
Los Angeles Angels 196-195, Baltimore Orioles 195-194  
New York Yankees 197-196, Boston Red Sox 196-195  
Los Angeles Dodgers 198-197, San Francisco Giants 197-196  
St. Louis Cardinals 199-198, Chicago Cubs 198-197  
Pittsburgh Pirates 200-199, Cincinnati Reds 199-198  
Milwaukee Brewers 201-200, Philadelphia Phillies 200-199  
Cleveland Indians 202-201, Detroit Tigers 201-200  
Kansas City Royals 203-202, Texas Rangers 202-201  
Seattle Mariners 204-203, Oakland Athletics 203-202  
San Diego Padres 205-204, New York Mets 204-203  
Florida Marlins 206-205, Atlanta Braves 205-204  
Houston Astros 207-206, San Jose Giants 206-205  
Los Angeles Angels 208-207, Baltimore Orioles 207-206  
New York Yankees 209-208, Boston Red Sox 208-207  
Los Angeles Dodgers 210-209, San Francisco Giants 209-208  
St. Louis Cardinals 211-210, Chicago Cubs 210-209  
Pittsburgh Pirates 212-211, Cincinnati Reds 211-210  
Milwaukee Brewers 213-212, Philadelphia Phillies 212-211  
Cleveland Indians 214-213, Detroit Tigers 213-212  
Kansas City Royals 215-214, Texas Rangers 214-213  
Seattle Mariners 216-215, Oakland Athletics 215-214  
San Diego Padres 217-216, New York Mets 216-215  
Florida Marlins 218-217, Atlanta Braves 217-216  
Houston Astros 219-218, San Jose Giants 218-217  
Los Angeles Angels 220-219, Baltimore Orioles 219-218  
New York Yankees 221-220, Boston Red Sox 220-219  
Los Angeles Dodgers 222-221, San Francisco Giants 221-220  
St. Louis Cardinals 223-222, Chicago Cubs 222-221  
Pittsburgh Pirates 224-223, Cincinnati Reds 223-222  
Milwaukee Brewers 225-224, Philadelphia Phillies 224-223  
Cleveland Indians 226-225, Detroit Tigers 225-224  
Kansas City Royals 227-226, Texas Rangers 226-225  
Seattle Mariners 228-227, Oakland Athletics 227-226  
San Diego Padres 229-228, New York Mets 228-227  
Florida Marlins 230-229, Atlanta Braves 229-228  
Houston Astros 231-230, San Jose Giants 230-229  
Los Angeles Angels 232-231, Baltimore Orioles 231-230  
New York Yankees 233-232, Boston Red Sox 232-231  
Los Angeles Dodgers 234-233, San Francisco Giants 233-232  
St. Louis Cardinals 235-234, Chicago Cubs 234-233  
Pittsburgh Pirates 236-235, Cincinnati Reds 235-234  
Milwaukee Brewers 237-236, Philadelphia Phillies 236-235  
Cleveland Indians 238-237, Detroit Tigers 237-236  
Kansas City Royals 239-238, Texas Rangers 238-237  
Seattle Mariners 240-239, Oakland Athletics 239-238  
San Diego Padres 241-240, New York Mets 240-239  
Florida Marlins 242-241, Atlanta Braves 241-240  
Houston Astros 243-242, San Jose Giants 242-241  
Los Angeles Angels 244-243, Baltimore Orioles 243-242  
New York Yankees 245-244, Boston Red Sox 244-243  
Los Angeles Dodgers 246-245, San Francisco Giants 245-244  
St. Louis Cardinals 247-246, Chicago Cubs 246-245  
Pittsburgh Pirates 248-247, Cincinnati Reds 247-246  
Milwaukee Brewers 249-248, Philadelphia Phillies 248-247  
Cleveland Indians 250-249, Detroit Tigers 249-248  
Kansas City Royals 251-250, Texas Rangers 250-249  
Seattle Mariners 252-251, Oakland Athletics 251-250  
San Diego Padres 253-252, New York Mets 252-251  
Florida Marlins 254-253, Atlanta Braves 253-252  
Houston Astros 255-254, San Jose Giants 254-253  
Los Angeles Angels 256-255, Baltimore Orioles 255-254  
New York Yankees 257-256, Boston Red Sox 256-255  
Los Angeles Dodgers 258-257, San Francisco Giants 257-256  
St. Louis Cardinals 259-258, Chicago Cubs 258-257  
Pittsburgh Pirates



## Grand Prix Drivers Agree With FIA To Race Sunday

SAO PAULO — Formula One drivers agreed Friday to start the 1995 season as scheduled after settling a dispute with the ruling body and agreeing to race Sunday in the Brazilian Grand Prix.

All the drivers agreed to sign their super-license forms after receiving individual faxed letters from Max Mosley, the president of the sport's ruling body, FIA.

The drivers reportedly had objected to signing waivers that freed FIA of all liability, including third-party claims, in the event of any accidents. The drivers also objected to newly imposed requirements for them to travel the world promoting Formula One races.

After the tragedy and trauma of 1994, the 1995 season is expected to be slower and safer but also promises to produce more spectacular and less-controversial racing.

A complete revision of the rules after the deaths of Roland Ratzenberger and Ayrton Senna at Imola and the accidents that followed in Monaco, Barcelona and Silverstone (in testing) has forced a winter of change and innovation.

Many circuits had already been altered during 1994, with the introduction of much bigger runoff areas, new corner layouts and chicanes. Now the cars have been changed, too, in an effort to reduce the downforce, cut engine power and increase protection for the drivers.

There are three main areas in which the cars starting the season Sunday will differ from those that finished last season, according to Tyrrell's designer, Harvey Postlethwaite.

"First of all there is the engine," he said. "It is now a 3-liter engine, which is a little less powerful than the 3.5 liters seen last year."

"The second big change is in the safety regulations," he added. "These are pretty major changes and it is there that I think everyone has struggled because of the time-scales involved."

The greatest safety changes for the drivers will be in the cockpit. The minimum length of the opening has been increased from 500 to 630 millimeters (19.5 to 25 inches) and there must be at least 50 millimeters between the front of the cockpit surround and the steering wheel. This is intended to prevent drivers from hitting their heads on the carbon-fiber tub in the event of a frontal impact.

The minimum height of the cockpit surround has been increased from 400 to 550 millimeters. This is intended to give the driver improved lateral protection.

The length of the deformable structure ahead of the driver's legs is doubled this year, from 150 to 300 millimeters, and is now subject to a tough crash test.

Postlethwaite believes this may be the single most important change.

He said the third area of major change was in the aerodynamics and the general reduction in aerodynamic performance of the car. This came from new regulations affecting the side, bottom and wings of the car.

"All of this has knocked about 15 percent off the downforce but of course that will depend on the track you are running at," he said.

The size of both the front and the rear wings has been reduced to add further downforce reductions to those brought in last season.

Postlethwaite believes these latest alterations mean the cars will have about 40 percent less downforce than last year.

"There have been quite a lot of changes and although it is very difficult to say with any certainty, this should close the field up a little bit," he said.

"It is a bit of a melting pot because everyone has had to build new cars and there are a lot of new engines about, so suddenly the pecking order might look a bit different," he added.

## British Fan Pleads Not Guilty to Provoking Cantona

Compiled by Our Staff From Dispatches

LONDON — A soccer fan who was attacked by the Manchester United star Eric Cantona pleaded not guilty Friday to charges of provoking the incident.

Matthew Simmons, 20, a Crystal Palace supporter, was released on bail and ordered to appear for trial on May 23.

Simmons is charged with two public order offenses of using threatening, abusive or insulting words or behavior. The charges carry a maximum penalty of six months in prison and a £5,000 (\$9,540) fine.

Court officials said Cantona could be called to give evidence in Simmons's trial.

Simmons appeared at the same Croydon Magistrates' Court where, on Thursday, Cantona was sentenced to two weeks in jail after pleading guilty to assaulting the fan.

Cantona was released on bail pending an appeal next Friday.

In an incident that shamed the sport, the French striker launched a lung-fu-style attack on Simmons during United's game against Crystal Palace at Selhurst Park on Jan. 25.

Cantona said in a statement read to the court Thursday that Simmons had made obscene gestures and shouted abusive language referring to his nationality and his mother. The Frenchman said he was "hurt and insulted."

Simmons, a window-fitter, has been banned by the club from attending any games this season because of the incident.

Cantona's teammate Paul Ince pleaded not guilty Thursday to assaulting another Crystal Palace fan and was ordered to stand trial May 23.

Cantona's sentence was criticized as overly harsh by numerous soccer officials, who said the court was making an example of him because of his fame.

Cantona's agent in France, Jean-Jacques Amorini, said the player might quit English soccer as a result.

"We are dumbfounded and absolutely shocked," he told French radio. "I think people are trying to make Cantona disgusted with England. I believe he is going to have to leave the country."

News reports said the Italian

club Inter Milan would now step up its efforts to lure Cantona away from England.

On Friday, British newspapers were widely critical of the sentence, saying enmity service would have been a more suitable punishment.

The Independent called the sentence "absurd" and said it would turn Cantona into a "martyr."

"Consider the facts: Cantona was provoked, it was his first offense, his victim escaped practically unscathed, he has no previous convictions, he has expressed contrition," the paper said in an editorial.

The Guardian noted that, according to government statistics, fewer than 4 percent of people convicted of violent crimes in 1993 were imprisoned.

Some British newspapers applauded the term, however.

"Ooh Aah, Prisoners," jeered the Sun, Britain's best-selling daily, echoing the chant of "Ooh Aah, Cantona" with which United fans salute their hero. The Sun dubbed him "a hothead who can't be tamed."

(AP, Reuters)



The soccer fan Matthew Simmons leaving court Friday near London, released on bail.

## Sabatini's Self-Destruction

Argentine Squanders Lipton Lead as Sampras Advances

Compiled by Our Staff From Dispatches

KEY BISCAYNE, Florida — The sun was merciless, and so was the slow disintegration of Gabriela Sabatini's poise in a semifinal of the Lipton Championships to which she had staked what seemed an unshakable claim. The fifth-seeded Sabatini, an Argentine who has made this pristine island her second home, self-destructed on a tactical infrastructure overrun by 18 double faults and 69 unforced errors.

Sabatini tripped herself up Thursday even though her underdog opponent, Kimiko Date of Japan, was grimacing through their semifinal with a serving shoulder so tender that she clutched it after almost every point.

No matter, Sabatini, with perspiration spilling across her face and double faults spilling from her racket like so many lost hopes, suffered a humiliating 1-6, 7-6 (7-2), 7-6 (7-4) defeat to the seventh-seeded Date.

Sabatini, who was up by 6-1, 5-1 and serving for the match, shook her head in utter bafflement after a 3-hour-5-minute loss to an opponent she had beaten in their last four matches.

"I never thought of winning," said Date, who made 79 unforced errors.

Sabatini didn't have a useful excuse after surrendering a lead while scant points from a straight-set victory.

"When I was up 5-1, I was close to winning, but that wasn't the feeling I had," she said.

Sabatini also blew a 6-1, 5-1 lead two years ago in Paris. Mary Joe Fernandez survived five match points to win that quarterfinal match, 1-6,

7-6 (7-4), 10-8. Sabatini's career went into a prolonged skid thereafter.

Date looked less than confident in advancing to the final against No. 2 Steffi Graf, who beat No. 3 Jana Novotna, 6-2, 7-5.

In the men's quarterfinals, top-ranked Pete Sampras shook off a code violation for arguing a call and came from behind to beat Andrei Medvedev, 6-1, 6-7 (5-7), 6-4. In the third set, Medvedev led 3-1 and had three break-point chances before Sampras rallied.

The unseeded Swede Jonas Bjorkman celebrated his 23d birthday by beating Mats Wilander, 6-2, 1-6, 7-5. Wilander blew a 5-2 lead in the third set.

Sampras was to play Bjorkman on Friday in the semifinals, and second-ranked Andre Agassi was meeting Magnus Larsson.

Sampras and Bjorkman have never met. Larsson beat Agassi in December at the Grand Slam Cup.

Graf, the defending champion and three-time Lipton titlist, needed six match points before claiming her semifinal triumph. It was her 23d victory in 26 matches against the Czech.

Graf and Date have played four times, and Date has won only one set.

"Obviously, I am excited to be able to play the finals," Graf said. "I'm a little bit surprised that I'm playing against Kimiko. I thought that Gaby is playing pretty well right now and Kimiko is having trouble with her shoulder."

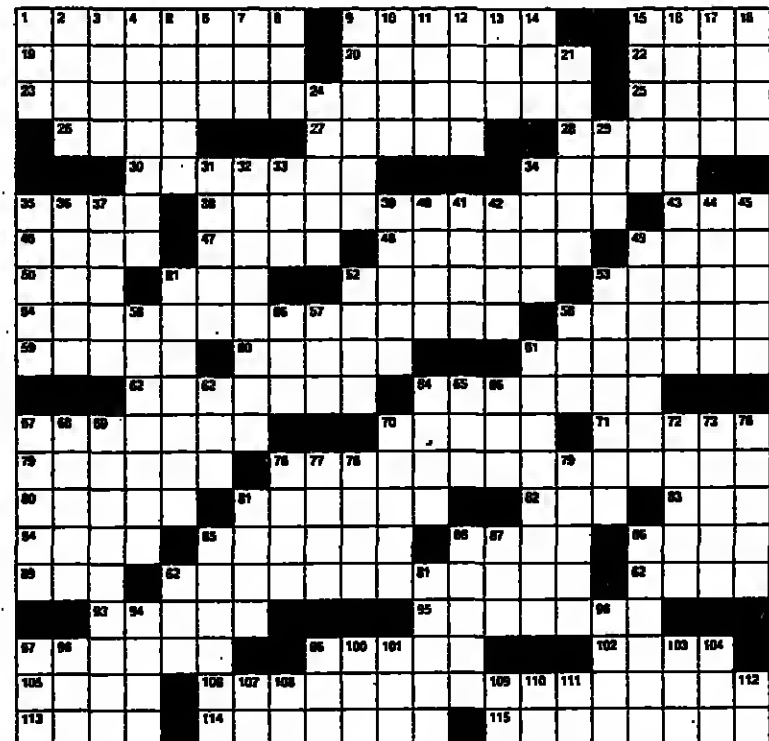
(NYT, AP, Reuters)



An angry Gabriela Sabatini, who led 6-1, 5-1 before falling to Kimiko Date, 1-6, 7-6, 7-6.

## DOUBLE FEATURES By Alex K. Justin

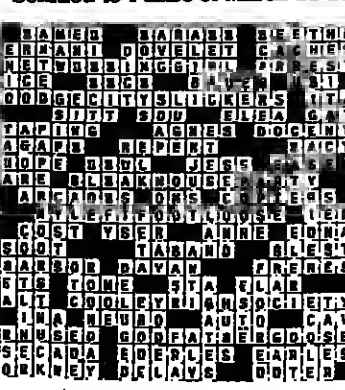
- ACROSS
- 1 Thickness, as of a tree
  - 9 Imagined
  - 15 Rip-off
  - 19 If
  - 20 Kind of stamp
  - 22 March
  - 23 One with no work grievances
  - 25 "The King and I" role
  - 26 Major suffix
  - 27 Basilica parts
  - 28 Did wrong
  - 30 Beethoven's "Overture"
  - 34 Test
  - 35 Accessory for Robin
  - 38 Reliable hearsay
  - 43 Bud holder?
  - 46 National competitor
  - 47 Kids
  - 48 Give some slack
  - 49 Poi starter
  - 50 Bark
  - 51 Pop group
  - 52 Frequently lost item
  - 53 1967 Cy Young Award winner
  - 54 Sunny skies
  - 58 Worker at a temp agency
  - 59 Bother, as a problem
  - 60 "If — Your Woman" (Gladys Knight hit)
  - 61 Fetter
  - 62 In an underhanded way
  - 64 Distress
  - 67 Dirt road hazard
  - 70 Consider, with "on"
  - 71 Fennel and lovage
  - 75 New York lake
  - 76 Unpredictable outcome
  - 80 Scramble rackful
  - 81 1967 song — "Groovy"
  - 82 Garnet
  - 83 Lad
  - 84 See 12-Down
  - 85 Irony
  - 88 Ancient strongbox
  - 89 Johnny
  - 90 Good manners
  - 92 Takes after
  - 93 Slightest
  - 95 Edward VII's love
  - 97 Is furious
  - 99 "Juego" (Spanish goodbye)
  - 102 Côte d'Azur city
  - 105 Kimono ties
  - 106 Intentional flub
  - 113 Borge, for one
  - 114 Double agent
  - 115 Go (m), by car
  - 118 Asylum
  - 117 Scattered
  - 118 Popular summer job



© New York Times/Edited by Will Shortz

- DOWN
- 1 Appreciate, slangily
  - 2 About
  - 3 — above
  - 4 Covers
  - 5 Helena competitor
  - 8 Aviv
  - 7 Wined ad abbr.
  - 5 Country mailing abbr.
  - 9 Muted
  - 10 Attacks, with "into"
  - 11 First name in mysteries
  - 12 With 84-Across, Kansas City Royals star of the 70's
  - 13 "I" preceeder, in a kids' game
  - 14 Overtime cause
  - 15 Author — Alexander
  - 16 Normal ability
  - 17 "Rule Britannia" composer
  - 18 Pasture, in Shakespeare
  - 21 Moral
  - 24 Makes
  - 29 Land on the Med
  - 51 Time and again
  - 52 Midday
  - 53 Shopping, maybe
  - 54 "I completely agree"
  - 55 Edgar — The Sleeping Prophet
  - 56 1954 A.L. batting champ
  - 58 Bring together
  - 59 It's easily erased
  - 60 Agassi rival
  - 62 Refresh one's memory of, in England
  - 73 Chap
  - 74 Ocular irritations
  - 75 Like a Poe tale
  - 77 Make or break
  - 78 Netman Nastase
  - 79 Raises
  - 81 Piano hammer material
  - 83 Child, colloquially
  - 86 Birdlike
  - 87 Kind of shut
  - 88 Custodian
  - 90 Crash into
  - 91 Opposite of ahead
  - 94 Gets by, with "out"
  - 107 No and others
  - 108 Industrial container
  - 109 Credit info corp.
  - 110 "Mamma —"
  - 111 Dictator Amin
  - 112 Hesitant sounds

Solution to Puzzle of March 18-19



## SIDELINES

### Russian Tests Find Athens Poisoning

MOSCOW (AP) — Contradicting Greek officials' claims, Russian authorities said medical tests Friday confirmed that five Russian basketball players were poisoned before a major tournament game in Athens last week.

Tests conducted by Russia's anti-doping service revealed that samples of mineral water drunk by the Central Army (CSKA) basketball team before the game against Olympiakos on March 16 contained haloperidol, a psychotropic medicine that causes cramps, the ITAR-Tass news agency said.

Five players were rushed to the hospital with severe cramps, dizziness and nausea before the European Champions' Cup quarterfinal. The remaining five played the game but lost, 79-54. Tests on urine and blood samples of the players who were hospitalized showed no traces of poison, Greek health officials had said.

### Weather Stops America's Cup Races

SAN DIEGO (AP) — Heavy wind and big seas forced postponement of the semifinal races in the America's Cup.

Thursday's defender race between Young America and Stars and Stripes was rescheduled for the next reserve day, April 1. Friday's race was to be held as scheduled, with Mighty Mary vs. Stars and Stripes. The challengers pushed back Thursday's races to Friday.

### For the Record

The San Francisco 49ers will play the Denver Broncos in Tokyo on Aug. 6 in the Asian version of the National Football League's American Bowl series, the NFL said Friday.

Mark Molesworth of Wales on Friday added a 69 to his opening 67 for an 8-under-par 136 and a two-stroke lead in the Balcarras Open in Palma, Majorca.

(Reuters)

## IOC Blames Team Doctor For Canadian's Dope Test

The Associated Press

LAUSANNE, Switzerland — The International Olympic Committee's top medical official said Friday that a Canadian doctor should be sanctioned for prescribing the medication that led to the Canadian rower Silken Laumann's positive drug test at the Pan Am Games.

Laumann was stripped of her gold medal for the quadruple sculls event in Argentina on Thursday after testing positive for pseudoephedrine, a stimulant found in a cold medicine.

The gold medal will now go to Cuba and the U.S. team moves up from bronze to silver.

Prince Alexandre de Merode, chairman of the IOC's medical commission, said physicians were to blame for the incident.

"The doctor's responsibility is beyond question and an exemplary sanction applied to this doctor, who has no excuse, is appropriate," he said in a statement.

De Merode noted that the tolerated ephedrine level is between 0.5 grams and 1 gram, while Laumann was tested at over 3.5 grams.

"It is for the international rowing federation to apply a sanction against the doctor," he said.

The IOC medical commission banned a Czech doctor for life for administering codeine to an ice hockey player during the 1976 Innsbruck Games. A masseur with the Japanese Olympic team was banned from the 1984 Los Angeles Games for giving ephedrine to an athlete.

Laumann, an Olympic bronze medalist, used Benadryl, which contains pseudoephedrine, to treat a cold. She also suffers from asthma.

### ESORTS & GUIDES

#### BELGRAVIA ORCHIDS

LONDON PARIS GENEVA ZURICH  
Secret Agency Credit Cards Welcome  
UK 071 589 5237

#### INTERNATIONAL ESCORTS

Service - Worldwide  
Tel: 212-955-8994 New York, USA  
Major Credit Cards Accepted

#### MUNICH WELCOME

ESORT & GUIDE AGENCY  
PLEASE CALL 089 - 71 23 14

### INTERNATIONAL CLASSIFIED

(Continued From Page 4)

#### ARISTOCATS Escort Agency

3 Shaftesbury St, London W1  
071 258 0070

#### BLITE Escort Service

NEW YORK CITY  
1-800-444-4447

#### MIAMI - JAMA ESCORT SERVICE

NEW YORK CITY  
CALL 86 54 39 OR 0330 23 43 92

#### SWISS ESCORT AGENCY

ZURICH GENEVA BASEL  
Call Switzerland 077 72 72 30

#### GENEVA & BASEL

MAJOR CREDIT CARDS ACCEPTED  
Secret Agency & Driver Duties  
Tel: 031 63 36 or 031 06 42

#### ZURICH / BERN / BASEL

Secret Service  
Tel: 071/88 04 68, 077/88 04 70

#### SWEDEN STOCKHOLM

ESORT SERVICE  
TEL: 08 157821

#### FRANKFURT

all areas  
Secret Service, Tel: 069-47234

#### PARIS & LONDON

"ELEGANCE"  
Secret Service London (71) 394 5145

#### EUROPEAN ESCORT AGENCY

VENUE'S ESCORT & GUIDE SERVICE  
Tel: 031 7261/58/59/60/61/62/63/64/65/66/67/68/69/70/71/72/73/74/75/76/77/78/79/80/81/82/83/84/85/86/87/88/89/90/91/92/93/94/95/96/97/98/99/00

#### VIENNA - VIENNA ESCORT SERVICE

MAJOR CREDIT CARDS ACCEPTED  
Tel: Vienna +43-1-535 41 04

#### BLANCOUR Madrid & Barcelona

English speaking Escort Service  
Tel: 34 1 - 501 49 30

#### ZURICH GENEVA PARIS MONACO

AMSTERDAM ESCORT SERVICE - No Credit Cards  
CALL SWITZERLAND 069 410 22 59

#### FRANKFURT

all areas  
Secret Service, Tel: 069-47234

#### GERMAN ESCORT SERVICE

all over Germany  
0706-10509 or 18399

#### EXECUTIVE

LONDON ESCORT SERVICE  
TEL: 071 722 5008 Credit Cards

#### LOS ANGELES, SAN FRANCISCO & Las Vegas

Gaby Int'l Escort & Guide Service, 0310 281-822 USA  
AMSTERDAM DREAMS ESCORT  
Dinner dates & personal guide service  
Tel: +31 860-64 02 11 / 64 02 66

#### VIENNA - PRAGUE - ZURICH

Venue's Best, Supreme Escort Service  
all areas, Vienna 14 +43 1532 11 32

#### PARIS VIENNA REVIERA BONE


Int'l Escort & Travel Service  
Int'l Escort +43-1-272431

#### LONDON HEATHROW GATWICK

Japanese Escort Service - No Credit Cards  
CALL SWITZERLAND 069 410 22 59

#### ITALY - PARIS

worldwide French Escort agency  
Dial Int'l +39 148 34 87

  
For full membership details  
ring (44) 474 854466

## TO OUR READERS IN BELGIUM

It's never been easier to subscribe  
and save. Just call toll-free:  
0 800 1 7538



DAVE BARRY

# Barbie Confronts Sailor Moon

MIAMI — As an American, I am ticked off about Sailor Moon. What is Sailor Moon, you ask? Shut up and I will tell you.

Sailor Moon is a licensed-cartoon-character merchandising concept that is about to be dumped on us by the people who brought us the Mighty Morphin Power Rangers. If you've never heard of the Mighty Morphin Power Rangers, go to a window right now, open it and listen. You'll hear the high-pitched, irritating sound of small children all over America demanding in whiny voices that their parents take out second mortgages so that they can buy official Power Rangers action figures, lunch boxes, backpacks, underwear, snow tires, forklifts, assault rifles, ponies, marital aids, members of Congress and hundreds of other licensed spinoff products.

The Power Rangers are a group of teenagers who have the ability to transform themselves into crime fighters with the power to beat the living stench out of evil beings while speaking very bad dialogue. I don't see this TV show very often, so to obtain more information, I called up my Research Department, Judi Smith, who has young children and therefore has Power Rangers coming out of her pores.

"How do the Power Rangers transform?" I asked her.

"They call on the power of their Zords," she explained.

"The power of their swords?" I asked.

"No," she said, in the tone of voice that you use to talk to a dog, "their ZORDS. Z-O-R-D-S. Zords."

A few minutes later, Judi called back to report that she had discussed this issue with her husband, Tim, who is a college history professor.

"Tim says they don't call on the power of their Zords to transform," she reported. "He says they just morph."

"I asked him HOW they morph," she said, "and he said, 'They have morphing capability.'"

"Well," I said, "that certainly clears it up."

"He says the morphing capability must come from that guy with his head in the tube."

"Ah," I said.

"But they definitely call on the power of their Zords for SOMETHING," she said.

And now we face the additional menace of Sailor Moon. According to an Associated Press story, Sailor Moon is the blond, ponytailed heroine of a wildly popular Japanese cartoon show. Sailor Moon leads a team of female superheroes who wear miniskirts and go-go boots; according to the AP story, they "combat evil and sexism" using special powers that they get from their "magical brooches, scepters and compacts."

That's right: These heroines, striking a bold blow against sexism and outdated stereotypes of women, GET THEIR POWER FROM JEWELRY AND MAKEUP.

But do you want to know what really ticks me off? What ticks me off is this quote from a male spokesperson for the company that's importing Sailor Moon to the United States: "Today's little girls want to be just as strong as boys. Barbie is not really an appropriate role model anymore."

Do you hear that, Americans? HE'S PUTTING DOWN BARBIE. Well, Sailor Moon spokesperson, perhaps you would change your tune if you took a gander at the Nov. 28, 1994, issue of Fortune magazine, sent in by several alert readers. On Page 170, you will see a photograph showing the kind of grueling testing Barbie is put through by Mattel Inc. The photograph shows Barbie in a machine labeled "BITE TESTING FIXTURES."

This tests to see whether Barbie will crack when young people, for whatever reason, bite her.

You'd think Barbie would feel depressed, being treated like this by her own manufacturer, but she looks just as chipper as ever. Her right arm is raised in a cheerful wave, as if she's saying: "It takes a lot more than strapping me while crushing my foot to make THIS licensed character lose her fundamental American spunk and perkiness, Sailor M-on spokesperson!"

You tell him, Barbie! The rest of America is standing behind you on this! We're sick and tired of seeing our precious cultural heritage undermined, and we're going to defend our traditional licensed characters against attacks from abroad, no matter what. It takes a lot more than this, and I do not say this lightly — that we must call on the power of our Zords.

Knight-Ridder Newspapers

# Zaha Hadid and Her Bold Architecture of Ideas

International Herald Tribune

LONDON — After lagging behind the Continent in public building, Britain plans, through its Millennium Fund financed by the new national lottery, to spend well over £1 billion (about \$1.6 billion) by the end of the century on schemes that may range from a waterway linking the Forth to the Clyde in Scotland to an attempt to turn Greenwich Park into a British Versailles.

The biggest controversy so far surrounds the Cardiff Bay Opera House pro-

MARY BLUME

ject, awarded last September to the London-based architect, Zaha M. Hadid. The fuss was because of Hadid's bold but buildable plan and because, scandalously, after she had beaten 267 entrants in an international competition, the victory was canceled and Hadid and three other finalists were asked to resubmit. She won again but there was an outcry against the three architects — Sir Norman Foster, Manfred Nicoletti and Itoko Hasegawa — for what might politely be termed a lack of collegial spirit.

Part of the problem, unspoken but apparent, is that Hadid, 44, is Iraqi and a woman. Hadid says she has little to declare on the subject of being a woman "since I don't know what it is like to be anything else" but despite having trained at London's Architectural Association and having set up her practice here 10 years ago, she is undeniably exotic.

"Since this was an international competition, why should they be surprised that someone who was not English or not Welsh should win?" she reasonably inquires. Of course, even if she had yellow hair and a double-barreled name she will never be native of the Establishment. "Oh no I'm not trying to be arrogant about it. I have to get on with my work and I can't really begin to worry about their psychology."

Her office, over the boys' entrance of a former school ("19th century, unfortunately"), is tall, white, spare and airy, with a young and dedicated staff at work even on a Sunday night. It is rather like a laboratory, which is exactly how Hadid describes it. "We do research here on particular ideas. I think it's important to see how far I can push them and where they can go, how they manifest themselves in buildings. Stuff like that."

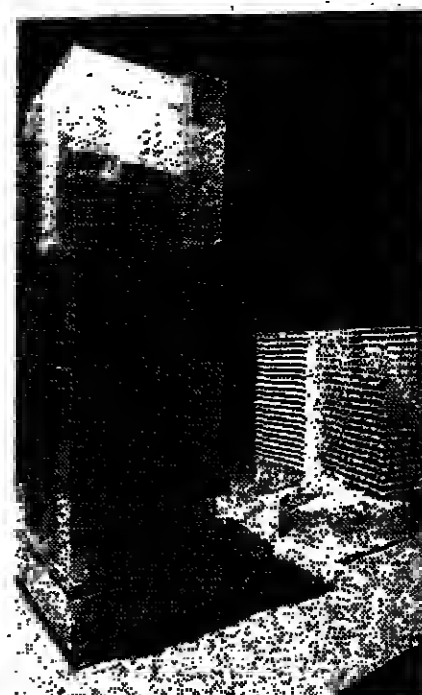
Every project involves many of her much-admired drawings as the ideas evolve, and because they express ideas the drawings are often, in her own words, esoteric and relatively abstract. One problem with Cardiff, she says, was that the Opera House Trust officials, who had formally appointed the architect after the competition, were lay people who could not read the drawings. Nor could the public, which was asked for its views after she had won. Building by public acclaim is itself an oddity and she was not given an immediate opportunity to explain her complex but perfectly coherent plan.

"I think you cannot flash an image on television and say do you like it? I think if you do that then it is your responsibility to teach architecture at an early stage so people can read it and understand it."

While it seems perfectly acceptable for male architects to assume the godhead, this does not apply to women. "Because you're a woman you're supposed to be kind of wimpy," Hadid says. She has instead been called flamboyant and volcanic ("the guy who wrote that had never even seen me volcanic") but confident enthusiasm might be a fairer description. "I'm a very tough teacher. I've always said to my students I'm not here to waste my time and I don't want you to waste yours." An imposing figure, she used to wrap herself in fabrics, laboriously pinned, oow that she is so busy schlepping around the planet, as she puts it, she sticks to tunics in basic black.

In her final year at the Architectural Association, Hadid won a prize for her thesis project, a museum of the 19th century in Charing Cross station (this was well before Gae Aulenti eviscerated the Gare d'Orsay in Paris). Then, rather than follow the usual trajectory of joining an established architect's practice she taught at the A.A. for 10 years, later moving on to Harvard and Columbia (she was teaching at Harvard when she learned she had won the Cardiff commission).

In New York, she did the highly praised installation at the Guggenheim in 1992 for "The Great Utopia," about the post-Revolution Russian modernists she admires, and was one of the six architects in the Museum of Modern Art's "Deconstructivist Architecture" show in 1988. This month a retrospective, "Zaha Hadid: Projects," was on view within a trapezoidal pavilion she designed in a former waiting



Hadid's proposed New York complex.

room at Grand Central Station. The New York Times called the show dazzling and thrilling.

The beauty and originality of her drawings and paintings may have made people think they would rather have her on their walls than live within walls she had built, and she was also a victim of the boom and bust 1980s when her projects from Beirut to Abu Dhabi were never built. Her winning entry for the Peak Leisure complex in Hong Kong was canceled when funds ran out although the payoff enabled her to set up her London practice and the plan itself became an architecture student's icon.

For a while it looked as if Hadid would become, in the words of a magazine, the mistress of the unbuilt school of architecture. Then, Rolf Fehlbaum, a furniture manufacturer in Weil-am-Rhein, Germany, asked her to build a fire station for his Vitra factory (Frank Gehry had already built a chair museum there and Tadeo Ando has since added a conference center). The weightless, steeply cantilevered structure was completed in 1993, deeply praised proof that she could actually build. For Hadid, who had no doubts about her ability to build, the satisfaction

came from making a jumbled factory site, a no-place she called it, into a coherent landscape.

Her concern with the site, how the building rests in its surroundings, the impact of the creation of manufactured space, the connection between the building and the public realm developed from her early interest in the Russian modernists honored at the Guggenheim show.

Her connection with the Deconstructivists in 1988 was, she thinks, more a question of convenient labeling than of identifying a distinct movement. "I think it was not a movement. What came from it is that you can think of space in a different way and enjoy it through different kinds of geometry. It was about unconventional methods of operating in space." Because the show had such media coverage, she thinks it may have made her own work seem more accessible and acceptable.

Last month she submitted plans for a hotel and retail center in New York's gritty Times Square, glimmering buildings that not only restore excitement to the area but enhance its more respectable neighbors (plans were also submitted by Michael Graves and Arquitectonica and the decision will be made next month). There are other projects in Europe and, of course, Cardiff Bay Opera House, which is to open on St. David's day in the year 2000.

Even when the opera house is finished she knows she will find it controversial. "They think contemporary architecture is so definitive and abstract. They're used to a domestic scale. In this country you don't have an abundance of incredible modern buildings, they don't surround you like New York or Chicago. They have never allowed the geometry of the new to filter into the city."

Modern architecture can be made more accessible to the public though it's a long process, Hadid says. But someone who calls her studio a laboratory does not expect immediate results and she even regards her own long wait to get off the drawing board with a shrug.

"All this work was very tangible, a lot of it was very simple and basic, it wasn't fantastic. It wasn't structurally impossible but psychologically or politically or economically impossible. I think these things take time. I always think everything is possible. You can go on if you believe in the possibility, maybe not in two years but in five years or 10."

## WEATHER

### Europe

	Today	High	Low	Tomorrow	High	Low
Algeria	20/28	13/25	8	20/28	13/25	8
Amsterdam	6/14	5/27	4	7/14	5/27	4
Athens	17/23	14/24	10	17/23	14/24	10
Berlin	12/23	8/16	10	12/23	8/16	10
Brussels	10/16	6/14	8	10/16	6/14	8
Cairo	24/30	18/24	10	24/30	18/24	10
Cardiff	10/16	6/14	8	10/16	6/14	8
Edinburgh	10/16	6/14	8	10/16	6/14	8
Geneva	10/16	6/14	8	10/16	6/14	8
London	10/16	6/14	8	10/16	6/14	8
Madrid	18/24	14/24	10	18/24	14/24	10
Moscow	10/16	6/14	8	10/16	6/14	8
Paris	10/16	6/14	8	10/16	6/14	8
Rome	18/24	14/24	10	18/24	14/24	10
Toronto	10/16	6/14	8	10/16	6/14	8
Warsaw	10/16	6/14	8	10/16	6/14	8
Zurich	10/16	6/14	8	10/16	6/14	8

Forecast for Sunday through Tuesday, as provided by Accu-Weather.



**North America**  
Snow will spread from Colorado to Minnesota while rain soaks and chills areas from Kansas to Michigan. Thunderstorms will rumble from the south central to southeastern parts of the United States. Much of Canada will turn quite cold and the cold will spill south in the Plains.

**Europe**  
A major snowstorm is in store for southern and central Scandinavia and perhaps even northern Denmark. Extreme cold will spread from Iceland through England to northern France, Germany and the Netherlands. Showers will affect areas from Italy northeastward to Hungary.

**Asia**  
Showers will dampen parts of Japan Sunday into Monday, then it will turn dry and cool. Korea and Beijing will start dry and chilly but turn milder with some rain by Monday or Tuesday. Hong Kong will be warm and increasingly humid with a few showers.

	Today	High	Low	Tomorrow	High	Low
Algeria	20/28	13/25	8	20/28	13/25	8
Amsterdam	6/14	5/27	4	7/14	5/27	4
Athens	17/23	14/24	10	17/23	14/24	10
Berlin	12/23	8/16	10	12/23	8/16	10
Brussels	10/16	6/14	8	10/16	6/14	8
Cairo	24/30	18/24	10	24/30	18/24	10
Cardiff	10/16	6/14	8	10/16	6/14	8
Edinburgh	10/16	6/14	8	10/16	6/14	8
Geneva	10/16	6/14	8	10/16	6/14	8
London	10/16	6/14	8	10/16	6/14	8
Madrid	18/24	14/24	10	18/24	14/24	10
Moscow	10/16	6/14	8	10/16	6/14	8
Paris	10/16	6/14	8	10/16	6/14	8
Rome	18/24	14/24	10	18/24	14/24	10
Toronto	10/16	6/14	8	10/16	6/14	8
Warsaw	10/16	6/14	8	10/16	6/14	8
Zurich	10/16	6/14	8	10/16	6/14	8

### Asia

	Today	High	Low	Tomorrow	High	Low
Algeria	20/28	13/25	8	20/28	13/25	8
Amsterdam	6/14	5/27	4	7/14	5/27	4
Athens	17/23	14/24	10	17/23	14/24	10
Berlin	12/23	8/16	10	12/23	8/16	10
Brussels	10/16	6/14	8	10/16	6/14	8
Cairo	24/30	18/24	10	24/30	18/24	10
Cardiff	10/16	6/14	8	10/16	6/14	8
Edinburgh	10/16	6/14	8	10/16	6/14	8
Geneva	10/16	6/14	8	10/16	6/14	8
London	10/16	6/14	8	10/16	6/14	8
Madrid	18/24	14/24	10	18/24	14/24	10
Moscow	10/16	6/14	8	10/16	6/14	8
Paris	10/16	6/14	8	10/16	6/14	8
Rome	18/24	14/24	10	18/24	14/24	10
Toronto	10/16	6/14	8	10/16	6/14	8
Warsaw	10/16	6/14	8	10/16	6/14	8
Zurich	10/16	6/14	8	10/16	6/14	8

### North America

	Today	High	Low	Tomorrow	High	Low
Algeria	20/28	13/25	8	20/28	13/25	8
Amsterdam	6/14	5/27	4	7/14	5/27	4
Athens	17/23	14/24	10	17/23	14/24	10
Berlin	12/23	8/16	10	12/23	8/16	10
Brussels	10/16	6/14	8	10/16	6/14	8
Cairo	24/30	18/24	10	24/30	18/24	10
Cardiff	10/16	6/14	8	10/16	6/14	8
Edinburgh	10/16	6/14	8	10/16	6/14	8
Geneva	10/16	6/14	8	10/16	6/14	8
London	10/16	6/14	8	10/16	6/14	8
Madrid	18/24	14/24	10	18/24	14/24	10
Moscow	10/16	6/14	8	10/16	6/14	8
Paris	10/16	6/14	8	10/16	6/14	8
Rome	18/24	14/24	10	18/24	14/24	10
Toronto	10/16	6/14	8	10/16	6/14	8
Warsaw	10/16	6/14	8	10/16	6/14	8
Zurich	10/16	6/14	8	10/16	6/14	8

### South America

	Today	High	Low	Tomorrow	High	Low
Algeria	20/28	13/25	8	20/28	13/25	8
Amsterdam	6/14	5/27	4	7/14	5/27	4
Athens	17/23	14/24	10	17/23	14/24	10
Berlin	12/23	8/16	10	12/23	8/16	10
Brussels	10/16	6/14	8	10/16	6/14	8
Cairo	24/30	18/24	10	24/30	18/24	10
Cardiff	10/16	6/14	8	10/16	6/14	8
Edinburgh	10/16	6/14	8	10/16	6/14	8
Geneva	10/16	6/14	8	10/16	6/14	8
London	10/16	6/14	8	10/16	6/14	8
Madrid	18/24	14/24	10	18/24	14/24	10
Moscow	10/16	6/14	8	10/16	6/14	8
Paris	10/16	6/14	8	10/16	6/14	8
Rome	18/24	14/24	10	18/24	14/24	10
Toronto	10/16	6/14	8	10/16	6/14	8
Warsaw	10/16	6/14	8	10/16	6/14	8
Zurich	10/16	6/14	8	10/16	6/14	8

## PEOPLE

HAVING taken care of architecture, Prince Charles is turning his attention to the English language. He launched the British Council's English 2000 project, whose goal is to maintain the language's preeminence in the world by reaching a billion speakers for the millennium. English "underpins human rights, good government, the resolution of conflict and the democratic process," he said. But there's a catch: "We must act now to ensure that English — and that to my way of thinking means English English — maintains its position as the world language well into the next century." American English is "very corrupting," he said. Americans tended to "invent all sorts of new nouns and verbs and make words that shouldn't be." In any case, he said, 350 million people speak English now as a first language, 350 million as a second language, and 80 percent of electronic information is stored in English.

The Australian rock star Michael Hutchence and his girlfriend, the Danish model Helena Christensen, have split after he was caught by British tabloids in a hotel with the wife of Bob Geldof, the former punk rock star and organizer of Live Aid. In a joint statement, they said they "have been spending and will be spending time apart. Despite the current media furor, the part-

ing is perfectly amicable and they still love and are in contact with each other." Hutchence, 35, lead singer of the rock group INXS, was found with the television presenter Paula Yates in a southern English hotel last weekend. Last month Geldof said he was splitting from Yates after 18 years because of her affair with Hutchence.

A White House sculpture exhibition inspired by first lady Hillary Rodham Clinton will be the featured visual arts display at this year's Spoleto Festival U.S.A., festival officials say. The exhibition of 20 works of contemporary sculpture by American artists was conceived by Mrs. Clinton and first displayed at the White House in October. The exhibition will be staged during Spoleto at the Gibbes Art Gallery.

Roseanne and her first husband, Bill Pentland, are on good terms again. He even got a part on her show next week — as a trailer-park resident who believes in aliens fond of brain-swapping with earthlings. "The trailer on the episode is almost identical to the one she and I lived in when we got married," Pentland said. Roseanne and Pentland divorced in 1989, and there was acrimony between them until she divorced Tom Arnold last year. "Things are terrific between us again," Pentland said.



EDIBLE — Chef Wolfgang Puck, announcing an edible Oscar as he considers his menu for the Governor's Ball after Monday's Academy Award ceremonies.

Your stomach's growling.

Mother Nature's calling.

Your flight's boarding.

Plenty of time to make say,

ten calls.

With AT&T USADirect® and World Connect® Service, you can make multiple calls without redialing your card or access number.

You're in a hurry. So we'll be brief. AT&T USADirect and World Connect Service gets you fast, clear connections back to the United States or to any of over 190 other countries. Also, an easier way to make multiple calls. Up to 10 in a row. Just dial the AT&T Access Number below for the country you're calling from. Your call will go through in seconds. Then, instead of hanging up after each call, busy signal or unanswered call, simply press the #button. Now you're ready to make the next call. In short, make the most of your limited time. Spend less time dialing. And more time talking.

TrueWorld® Connections

AT&T

ASIA/PACIFIC

Australia 1-800-961-011

China 1-800-1111

Hong Kong 800-1111

India 800-111

Indonesia 001-801-10

Japan 0020-111

Korea 0020-111

Malaysia 002-0011

NEW ZEALAND

Philippines 105-11

Russia 135-8042

Saudi Arabia 225-2872

Singapore 800-1111-111

Spain 0030-111

Taiwan 0080-1038-0

Thailand 0030-1111

Europe

Austria 002-800-011

Belgium 002-800-011

Bulgaria 002-800-011

Czech Republic 002-800-011

Denmark 002-800-011